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LEGISLATIVE HISTORY

Public Law 74--77th Congress

Chapter 133--1st Session

S. J. Res. 60

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SUMMARY OF PUBLIC LAW 74

AGRICULTURAL ADJUSTMENT ACT OF 1938 AMENDMENTS RELATING TO MARKETING QUOTAS AND COMMODITY LOANS. Redefines farm marketing quotas for corn and wheat to be actual production of acreage planted to the commodity less the smaller of normal production or actual production of acreage in excess of the farm acreage allotment. Increases the excess corn and wheat marketing penalty to 50 percent of the basic loan rate for cooperators. Provides that the farm marketing excess shall be regarded as available for marketing and that the penalty and storage amount shall be computed upon normal production of the excess acreage. If actual production of excess acreage is less than normal production, a downward adjustment in farm marketing excess will be made. The producer may either pay the penalty upon the excess, store it, or deliver it to the Secretary for diversion from normal trade channels. Provides that, until the producer exercises this option, there shall be a lien in favor of the U. S. upon the entire crop. Provides that, in case the excess is stored, the penalty shall be paid at the time and to the extent of any depletion in such storage amount except from some cause beyond control. Permits marketing, without penalty, of an amount of the commodity stored from one crop if, for the succeeding crop, the producer plants less than his farm acreage allotment. Permits producers who have crop failures to market without penalty amounts stored from preceding crops. Contains certain exemptions from quotas or penalties relating to small, noncommercial wheat and corn farms. Provides that, until the producer takes care of the excess as provided in this Act, each bushel of corn or wheat sold is subject to the penalty, which shall be paid by the buyer, who is permitted to deduct the amount from the price paid to the producer. Fixes the cotton and rice marketing penalty at a rate equal to 50 percent of the basic loan to cooperators.

Directs the Commodity Credit Corporation to make available upon the 1941 cotton, corn, wheat, rice, and tobacco crops, with respect to which marketing quotas have not been disapproved, loans at a rate of 85 percent of parity.

Summary and Index of History on S. J. Res. 60.

March 20, 1941	S. J. Res. 60 introduced and referred to the Committee on Agriculture and Forestry. Print of the Resolution.
March 26, 1941	Senate Committee on Agriculture and Forestry reported without amendment. S. Rept. 143. Print of the measure as reported.
March 27, 1941	Passed Senate as reported.
April 2, 1941	H. J. Res. 149 introduced and referred to the House Committee on Agriculture. House Committee reported without amendment. H. Rept. 364. Print of the measure as reported.
April 29, 1941	House vacated action on H. J. Res. 149. Language of House bill substituted in S. J. Res. 60. S. J. Res. 60 amended and passed House.
May 6, 1941	Senate disagreed to amendments and requested a Conference. Senate Conferees appointed.
May 7, 1941	House Conferees appointed.
May 12, 1941	Conference Report submitted in the House. H. Rept. 530.
May 13, 1941	House agreed to the Conference Report.
May 14, 1941	Senate agreed to the Conference Report.
May 26, 1941	Approved. Public Law 74.

77TH CONGRESS
1ST SESSION

S. J. RES. 60

IN THE SENATE OF THE UNITED STATES

MARCH 20, 1941

Mr. SMITH introduced the following joint resolution; which was read twice and referred to the Committee on Agriculture and Forestry

JOINT RESOLUTION

Relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That notwithstanding the provisions of the Agricultural
4 Adjustment Act of 1938, as amended (hereinafter referred
5 to as the Act)—
6 (1) Within thirty days after the date of the issuance
7 of a proclamation provided for in section 322 (c) of the
8 Act or of a proclamation provided for in section 335 (a)
9 of the Act, relating to marketing quotas for corn or wheat,
10 as the case may be, the Secretary of Agriculture (herein-
11 after referred to as the Secretary) shall conduct a refer-

1 endum, by secret ballot, of the farmers who would be subject
2 to such marketing quotas to determine whether such far-
3 mers are (a) in favor of marketing quotas for the crop of
4 the commodity harvested during the then current calendar
5 year and also for the next consecutive crop or (b) in favor
6 of marketing quotas only for the crop of the commodity
7 harvested during the then current calendar year or (c)
8 opposed to marketing quotas.

9 (2) The Secretary shall proclaim the results of each
10 referendum on corn or wheat within twenty days after the
11 date thereof. If two-thirds of the farmers voting in the
12 referendum favor marketing quotas for the aforesaid two
13 crops of the commodity, marketing quotas shall continue
14 in effect for the crop of the commodity harvested in the
15 calendar year then current and, without a further referen-
16 dum, marketing quotas shall be in effect for the next con-
17 secutive crop of the commodity, unless the supply of the
18 commodity as of the beginning of the marketing year for
19 such crop is less than that which requires marketing quotas
20 under the Act. If less than two-thirds of the farmers voting
21 in the referendum vote in favor of marketing quotas for two
22 crops, but the number of farmers voting in favor of mar-
23 keting quotas for two crops, plus the number voting in favor
24 of marketing quotas for one crop only, represents two-thirds
25 or more of the farmers voting in the referendum, then mar-

1 keting quotas shall be in effect for the crop of the commodity
2 harvested during the then current calendar year. If more
3 than one-third of the farmers voting in the referendum
4 oppose marketing quotas, then marketing quotas for the
5 crop harvested in the then current calendar year shall not
6 be in effect, but a referendum on marketing quotas may be
7 held, in accordance with the Act and this resolution, for any
8 crop or crops harvested in any subsequent calendar year
9 or years. If more than one-third of the farmers voting in
10 any such referendum oppose marketing quotas for corn or
11 wheat, as the case may be, no loan pursuant to section 302
12 of the Act with respect to such commodity will be made
13 during the period from the date on which the results of
14 the referendum are proclaimed by the Secretary until the
15 beginning of the second succeeding marketing year for such
16 commodity. The results of the referendum shall not limit
17 the availability or renewal of any loan previously made.
18 (3) The farm marketing quota under the Act for any
19 crop of corn or wheat shall be actual production of the
20 acreage planted to the commodity on the farm, less the
21 normal production or the actual production, whichever is
22 the smaller, of that acreage planted to the commodity on
23 the farm which is in excess of the farm-acreage allotment
24 for the commodity. The normal production, or the actual
25 production, whichever is the smaller, of such excess acreage

1 is hereinafter called the "farm marketing excess" of corn
2 or wheat, as the case may be. The Secretary shall issue
3 regulations under which the farm marketing excess of the
4 commodity for the farm may be stored or delivered to him.
5 "Actual production" of any number of acres of corn or wheat
6 on a farm means the actual average yield of corn or wheat,
7 as the case may be, for the farm times such number of acres.
8 (4) The producer shall be subject to a penalty of 30
9 cents per bushel of corn and 50 cents per bushel of wheat on
10 the farm-marketing excess of the commodity. The farm-
11 marketing excess shall be regarded as available for market-
12 ing, and the penalty and the storage or delivery amount for
13 the commodity shall be computed upon the normal produc-
14 tion of the excess acreage. Unless the farm marketing
15 excess is stored or delivered to the Secretary, the penalty
16 computed as aforesaid shall be paid by the producer imme-
17 diately upon failure so to store or deliver. Any corn or
18 wheat delivered to the Secretary hereunder shall become
19 the property of the United States and shall be disposed of
20 by the Secretary for relief purposes in the United States
21 or in foreign countries or in such other manner as he shall
22 determine will divert it from the normal channels of trade
23 and commerce. Where, upon the application of the pro-
24 ducer for an adjustment of penalty or of storage, it is satis-
25 factorily shown to the Secretary that the actual production

1 of the excess acreage is less than the normal production
2 thereof, the difference between the amount of the penalty
3 or storage as computed upon the basis of normal production
4 and as computed upon the basis of actual production shall
5 be returned to or allowed the producer.

6 (5) Until the producers on any farm store, deliver to
7 the Secretary, or pay the penalty on, the farm-marketing
8 excess of any crop of corn or wheat, the entire crop of corn
9 or wheat, as the case may be, produced on the farm shall be
10 subject to a lien in favor of the United States for the amount
11 of the penalty.

12 (6) The penalty upon corn or wheat stored shall be paid
13 by the producer at the time, and to the extent, of any deple-
14 tion in the amount of the commodity so stored, except deple-
15 tion resulting from some cause beyond the control of the
16 producer.

17 (7) Whenever the planted acreage of the then current
18 crop of corn or wheat on any farm is less than the farm-
19 acreage allotment for such commodity, the total amount of
20 the commodity from any previous crops required to be stored
21 in order to postpone or avoid payment of penalty shall be
22 reduced by that amount which is equal to the normal pro-
23 duction of the number of acres by which the farm-acreage
24 allotment exceeds the planted acreage. The provisions of
25 section 326 (c) of the Act shall be applicable also to wheat.

1 (8) A farm marketing quota shall not be applicable
2 to any farm on which the acreage planted to corn or wheat
3 is not in excess of fifteen acres. The marketing penalty
4 shall not be applicable to any farm which, under the terms
5 of the then current agricultural conservation program formu-
6 lated under sections 7 to 17, inclusive, of the Soil Con-
7 servation and Domestic Allotment Act, is classified as a non-
8 allotment farm if the acreage of corn or wheat harvested
9 on such nonallotment farm is not in excess of fifteen acres
10 or the acreage allotment for the farm, whichever is larger.
11 If the acreage of corn or wheat harvested on any such non-
12 allotment farm is in excess of fifteen acres and in excess
13 of such acreage allotment, the normal production or the
14 actual production, whichever is the smaller, of the acreage
15 harvested in excess of fifteen acres or such acreage allot-
16 ment, whichever is larger, shall be taken as the farm
17 marketing excess and shall be subject to penalty: *Provided,*
18 That there shall be no penalty on wheat grown on any
19 such nonallotment farm from which no wheat is sold if
20 the acreage of wheat harvested on such farm does not
21 exceed such acreage per family living thereon as may be
22 used for home consumption without reducing the payment
23 with respect to the farm under the then current agricultural
24 conservation program.

25 (9) Until the farm marketing excess of corn or wheat,

1 as the case may be, is stored or delivered to the Secretary
2 or the penalty thereon is paid, each bushel of the com-
3 modity produced on the farm which is sold by the producer
4 to any person within the United States shall be subject
5 to the penalty of 30 cents a bushel for corn and 50 cents a
6 bushel for wheat. Such penalty shall be paid by the buyer,
7 who may deduct an amount equivalent to the penalty from
8 the price paid to the producer.

9 (10) Sections 301 (b) (6), 323 (b), and 335 (d)
10 of the Act, as amended, shall continue in full force and
11 effect, and all other provisions of the Act, as amended,
12 relating to corn and wheat marketing quotas shall continue
13 in effect insofar as not inconsistent with any provision of
14 this joint resolution.

77TH CONGRESS
1ST SESSION

S. J. RES. 60

JOINT RESOLUTION

Relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

By Mr. SMITH

MARCH 20, 1941

Read twice and referred to the Committee on Agriculture and Forestry

only one we have

Calendar No. 152

77TH CONGRESS, 1st Session | SENATE | REPORT No. 143

RELATING TO CORN AND WHEAT MARKETING QUOTAS UNDER THE AGRICULTURAL ADJUSTMENT ACT OF 1938, AS AMENDED

MARCH 26, 1941.—Ordered to be printed

Mr. SMITH, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. J. Res. 60]

The Committee on Agriculture and Forestry, to whom was referred the Senate joint resolution (S. J. Res. 60) relating to corn- and wheat-marketing quotas under the Agricultural Adjustment Act of 1938, as amended, having considered the same, report thereon favorably with the recommendation that the resolution do pass.

After considering the regulations which will be needed in the administration of the corn and wheat-marketing quota programs for the 1941–42 marketing year in the event that quotas become effective for that year, the Department of Agriculture has advised this committee that the enforcement of the present provisions of the Agricultural Adjustment Act of 1938 will be extremely difficult. Under the present provisions of the act, the farm-marketing quota for corn or wheat is the actual production or the normal production, whichever is the larger, of the farm acreage allotment. It will be almost impossible to determine the actual production of corn or wheat produced on a farm, particularly where the producer is not participating in the farm program. The problem is also complicated by the fact that the marketing of corn or wheat as defined in the act includes the feeding to poultry or livestock which, or the products of which, are sold, bartered, or exchanged, or are to be so disposed of. The proposed joint resolution (S. J. Res. 60) is designed to simplify the administration of marketing quotas on corn and wheat and to enable farmers to make the quotas more effective in accomplishing the purpose of the act.

Subsections (1) and (2) of the resolution provide for the holding of a quota referendum for wheat and corn on the question of whether quotas are favored for 1 year or for 2 years. Under the present provisions of the Agricultural Adjustment Act of 1938, the referendum is to be held on the question of whether quotas are favored for 1 year

only. The resolution will give the farmers the opportunity to vote in favor of quotas for 2 years and if they so vote a referendum will not be necessary in the second year and the farmer will know in advance of planting that, if the supply situation requires quotas for the succeeding crop, they will be in effect. Even though the vote is favorable for 2-year quotas, quotas would not be effective in the second year unless the supply situation requires them. Under the provisions of the resolution, if the farmers have disapproved quotas for 2 years, they can still approve quotas for 1 year only. Under the present provisions of the law, if more than one-third of the farmers voting in the referendum oppose marketing quotas for corn or wheat, as the case may be, no loan pursuant to section 302 of the Agricultural Adjustment Act of 1938 will be made during the period from the date on which the results of the referendum are proclaimed until the second succeeding marketing year for the commodity. The resolution makes it clear that this provision is continued in effect.

Subsections (3), (4), (5), and (6) redefine the farm-marketing quotas for corn and wheat and provide that the penalty shall be paid on the amount of the farm-marketing excess, which shall be regarded as "available for marketing." This farm-marketing excess will be computed upon the basis of the normal production of the excess acreage, but provision is made for a downward adjustment in this amount if the producer proves that the actual production of the excess acres is less than the normal production thereof. This amount may be stored or delivered to the Secretary in lieu of paying the penalty, but the penalty becomes due immediately upon the failure of the producer to store or deliver the required amount. Corn or wheat delivered to the Secretary is to be disposed of by him for domestic or foreign relief purposes or in such other manner as will keep it out of the normal channels of trade. If the amount stored in lieu of paying the penalty is depleted through any cause except one beyond the control of the producer, the penalty with respect to the amount depleted must be paid by him. Until he (*a*) pays the penalty, (*b*) stores the required amount, or (*c*) delivers the required amount, the entire crop of the commodity on the farm is made subject to a lien in favor of the United States and none of it may be fed or otherwise disposed of without arrangement for payment of the penalty. The lien is provided as a means of preventing the disposition of the crop by feeding to livestock or otherwise without payment of the penalty or storage or delivery to the Secretary of the farm-marketing excess. The redefining of the farm-marketing quota is for the purpose of eliminating the necessity of determining the actual production of wheat or corn on each farm.

These subsections also provide for an increase in the penalty from 15 cents per bushel to 30 cents per bushel in the case of corn and 50 cents per bushel in the case of wheat. Farmers have indicated that the penalty of 15 cents per bushel is too low to result in the desired adjustment of the amount to be marketed during the marketing year. With the higher penalties, it is expected that growers generally will store the farm-marketing excesses rather than pay the penalty and place the commodity on the market at the time when it is not needed.

In subsection (7) provision is made for the reduction of the storage requirement if the producer in a subsequent year plants less than his allotment. It appears desirable to permit producers to reduce their

plantings in a subsequent year and release the quantity stored, thereby adjusting marketings to requirements.

Subsection (8) provides for certain exemptions from the operation of the quotas. No quota will be applicable to any farm on which 15 acres or less are planted to the commodity. On farms classified as nonallotment farms under the agricultural conservation program, the marketing penalty will not be applicable if the acreage of corn or wheat harvested on the farm is not in excess of 15 acres or the acreage allotment for the farm, whichever is larger. Other exemptions are provided for farms on which wheat is grown solely for home consumption. The administration of the program will be greatly simplified by exempting from marketing quota provisions farms on which only small acreages of the commodity are grown as well as farms on which wheat is grown only for home consumption. The majority of the producers exempted under this provison would not be required to pay a penalty on any part of their production under the present provisions of the act, and it is believed desirable to continue this policy. The present provisions of the act, under which no farm-marketing quota will be applicable to a farm on which the planted acreage of wheat times the normal yield is less than 200 bushels, or in the case of corn is less than 300 bushels, are continued. When all of the revisions are taken into account, a somewhat larger number of small farmers will be exempted from the penalty than was the case under the present provisions.

Subsection (9) provides that, until the amount of the farm-marketing excess is stored, delivered to the Secretary, or the penalty thereon is paid, the buyer is required to pay the penalty on each bushel of the commodity purchased by him which was produced on an over-planted farm, but the buyer may deduct the amount of the penalty from the purchase price. Once the penalty on the excess has been paid either by the producer or the buyer, the producer will be permitted to market the rest of his production without penalty.

Subsection (10) makes clear that certain provisions of the act which have been referred to as being carried forward will remain in effect.

The resolution in effect provides for the determination of a farm-marketing excess and puts the penalty on this excess of the commodity regardless of whether it is actually marketed, thereby making unnecessary the determination of the actual production of the commodity on the farm.

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Calendar No. 152

77TH CONGRESS
1ST SESSION

S. J. RES. 60

[Report No. 143]

IN THE SENATE OF THE UNITED STATES

MARCH 20, 1941

Mr. SMITH introduced the following joint resolution; which was read twice and referred to the Committee on Agriculture and Forestry

MARCH 26, 1941

Reported, under authority of the order of the Senate of March 24, 1941, by Mr. SMITH, without amendment

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JOINT RESOLUTION

Relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(1) Within thirty days after the date of the issuance of a proclamation provided for in section 322 (c) of the Act or of a proclamation provided for in section 335 (a) of the Act, relating to marketing quotas for corn or wheat, as the case may be, the Secretary of Agriculture (herein-

1 after referred to as the Secretary) shall conduct a refer-
2 endum, by secret ballot, of the farmers who would be subject
3 to such marketing quotas to determine whether such farmers
4 are (a) in favor of marketing quotas for the crop of the
5 commodity harvested during the then current calendar year
6 and also for the next consecutive crop or (b) in favor of
7 marketing quotas only for the crop of the commodity har-
8 vested during the then current calendar year or (c) opposed
9 to marketing quotas.

10 (2) The Secretary shall proclaim the results of each
11 referendum on corn or wheat within twenty days after the
12 date thereof. If two-thirds of the farmers voting in the
13 referendum favor marketing quotas for the aforesaid two
14 crops of the commodity, marketing quotas shall continue
15 in effect for the crop of the commodity harvested in the
16 calendar year then current and, without a further referen-
17 dum, marketing quotas shall be in effect for the next con-
18 secutive crop of the commodity, unless the supply of the
19 commodity as of the beginning of the marketing year for
20 such crop is less than that which requires marketing quotas
21 under the Act. If less than two-thirds of the farmers voting
22 in the referendum vote in favor of marketing quotas for two
23 crops, but the number of farmers voting in favor of mar-
24 keting quotas for two crops, plus the number voting in favor
25 of marketing quotas for one crop only, represents two-thirds

1 or more of the farmers voting in the referendum, then mar-
2 keting quotas shall be in effect for the crop of the commodity
3 harvested during the then current calendar year. If more
4 than one-third of the farmers voting in the referendum
5 oppose marketing quotas, then marketing quotas for the
6 crop harvested in the then current calendar year shall not
7 be in effect, but a referendum on marketing quotas may be
8 held, in accordance with the Act and this resolution, for any
9 crop or crops harvested in any subsequent calendar year
10 or years. If more than one-third of the farmers voting in
11 any such referendum oppose marketing quotas for corn or
12 wheat, as the case may be, no loan pursuant to section 302
13 of the Act with respect to such commodity will be made
14 during the period from the date on which the results of
15 the referendum are proclaimed by the Secretary until the
16 beginning of the second succeeding marketing year for such
17 commodity. The results of the referendum shall not limit
18 the availability or renewal of any loan previously made.

19 (3) The farm marketing quota under the Act for any
20 crop of corn or wheat shall be actual production of the
21 acreage planted to the commodity on the farm, less the
22 normal production or the actual production, whichever is
23 the smaller, of that acreage planted to the commodity on
24 the farm which is in excess of the farm-acreage allotment
25 for the commodity. The normal production, or the actual

1 production, whichever is the smaller, of such excess acreage
2 is hereinafter called the "farm marketing excess" of corn
3 or wheat, as the case may be. The Secretary shall issue
4 regulations under which the farm marketing excess of the
5 commodity for the farm may be stored or delivered to him.
6 "Actual production" of any number of acres of corn or wheat
7 on a farm means the actual average yield of corn or wheat,
8 as the case may be, for the farm times such number of acres.
9 (4) The producer shall be subject to a penalty of 30
10 cents per bushel of corn and 50 cents per bushel of wheat on
11 the farm-marketing excess of the commodity. The farm-
12 marketing excess shall be regarded as available for market-
13 ing, and the penalty and the storage or delivery amount for
14 the commodity shall be computed upon the normal produc-
15 tion of the excess acreage. Unless the farm marketing
16 excess is stored or delivered to the Secretary, the penalty
17 computed as aforesaid shall be paid by the producer imme-
18 diately upon failure so to store or deliver. Any corn or
19 wheat delivered to the Secretary hereunder shall become
20 the property of the United States and shall be disposed of
21 by the Secretary for relief purposes in the United States
22 or in foreign countries or in such other manner as he shall
23 determine will divert it from the normal channels of trade
24 and commerce. Where, upon the application of the pro-
25 ducer for an adjustment of penalty or of storage, it is satis-

1 factorily shown to the Secretary that the actual production
2 of the excess acreage is less than the normal production
3 thereof, the difference between the amount of the penalty
4 or storage as computed upon the basis of normal production
5 and as computed upon the basis of actual production shall
6 be returned to or allowed the producer.

7 (5) Until the producers on any farm store, deliver to
8 the Secretary, or pay the penalty on, the farm-marketing
9 excess of any crop of corn or wheat, the entire crop of corn
10 or wheat, as the case may be, produced on the farm shall be
11 subject to a lien in favor of the United States for the amount
12 of the penalty.

13 (6) The penalty upon corn or wheat stored shall be
14 paid by the producer at the time, and to the extent, of any
15 depletion in the amount of the commodity so stored, except
16 depletion resulting from some cause beyond the control of
17 the producer.

18 (7) Whenever the planted acreage of the then current
19 crop of corn or wheat on any farm is less than the farm-
20 acreage allotment for such commodity, the total amount of
21 the commodity from any previous crops required to be stored
22 in order to postpone or avoid payment of penalty shall be
23 reduced by that amount which is equal to the normal pro-
24 duction of the number of acres by which the farm-acreage
25 allotment exceeds the planted acreage. The provisions of

1 section 326 (c) of the Act shall be applicable also to wheat.
2 (8) A farm marketing quota shall not be applicable
3 to any farm on which the acreage planted to corn or wheat
4 is not in excess of fifteen acres. The marketing penalty
5 shall not be applicable to any farm which, under the terms
6 of the then current agricultural conservation program formu-
7 lated under sections 7 to 17, inclusive, of the Soil Con-
8 servation and Domestic Allotment Act, is classified as a non-
9 allotment farm if the acreage of corn or wheat harvested
10 on such nonallotment farm is not in excess of fifteen acres
11 or the acreage allotment for the farm, whichever is larger.
12 If the acreage of corn or wheat harvested on any such non-
13 allotment farm is in excess of fifteen acres and in excess
14 of such acreage allotment, the normal production or the
15 actual production, whichever is the smaller, of the acreage
16 harvested in excess of fifteen acres or such acreage allot-
17 ment, whichever is larger, shall be taken as the farm
18 marketing excess and shall be subject to penalty: *Provided,*
19 That there shall be no penalty on wheat grown on any
20 such nonallotment farm from which no wheat is sold if
21 the acreage of wheat harvested on such farm does not
22 exceed such acreage per family living thereon as may be
23 used for home consumption without reducing the payment
24 with respect to the farm under the then current agricultural
25 conservation program.

1 (9) Until the farm marketing excess of corn or wheat,
2 as the case may be, is stored or delivered to the Secretary
3 or the penalty thereon is paid, each bushel of the com-
4 modity produced on the farm which is sold by the producer
5 to any person within the United States shall be subject
6 to the penalty of 30 cents a bushel for corn and 50 cents a
7 bushel for wheat. Such penalty shall be paid by the buyer,
8 who may deduct an amount equivalent to the penalty from
9 the price paid to the producer.

10 (10) Sections 301 (b) (6), 323 (b), and 335 (d)
11 of the Act, as amended, shall continue in full force and
12 effect, and all other provisions of the Act, as amended,
13 relating to corn and wheat marketing quotas shall continue
14 in effect insofar as not inconsistent with any provision of
15 this joint resolution.

Calendar No. 152

77TH CONGRESS
1ST SESSION

S. J. RES. 60

[Report No. 143]

JOINT RESOLUTION

Relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

By Mr. SMITH

MARCH 20, 1941

Read twice and referred to the Committee on Agriculture and Forestry

MARCH 26, 1941

Reported without amendment

trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the commission in respect of the maintenance, operation, repair, and insurance of the bridge and/or the ferry or ferries, the conservation and application of all funds, the security for the payment of the bonds, the safeguarding of money on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law.

Said bonds shall be sold in such manner and at such time or times and at such price as the commission may determine, but no such sale shall be made at a price so low as to require the payment of more than 6-percent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge and its approaches and the land, easements, and appurtenances used in connection therewith, and in the event the ferry or ferries are to be acquired, also the cost of such ferry or ferries and the lands, easements, and appurtenances used in connection therewith. The cost of the bridge and approaches and approach highways, and ferry or ferries, shall be deemed to include all engineering, legal, architectural, traffic surveying, and other expenses incident to the acquisition of the bridge or the acquisition of the ferry or ferries, and the acquisition of the necessary property, and incident to the financing thereof: *Provided,* That the cost of acquisition of said bridge and approaches and approach highways, and ferry, shall not exceed the sum of $945,000. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definitive bonds the commission may, under like restrictions, issue temporary bonds or interim certificates with or without coupons of any denomination whatsoever, exchangeable for definitive bonds when such bonds that have been executed are available for delivery.

The amendment was agreed to.

The next amendment was, in section 8, page 10, line 13, after the words "of the", to strike out "Secretary of Agriculture" and insert "Federal Works Administrator"; in line 23, after the words "by the", to strike out "Chief of the Bureau" and insert "Commissioner"; and in the same line, after the words "Public Roads", to strike out "of the Department of Agriculture", so as to make the section read:

SEC. 8. For the purpose of carrying into effect the objects stated in this act, there is hereby created the White County Bridge Commission, and by that name, style, and title said body shall have perpetual succession; may contract and be contracted with, sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations or gifts of money or other property and apply same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The commission shall consist of Julius C. Kern, Jennings F. Marlin, and J. Madison Pomeroy, all of Carmi, Ill. Such commission shall be a body corporate and politic. Each member of the commission shall qualify within 30 days after the approval of this act by filing in the office of the Federal Works Administrator an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall qualify in like manner within 30 days after his appointment. Any vacancy occurring in said commission by reason of failure to qualify as above provided, or by reason of death or resignation, shall be filled by the Secretary of Agriculture. Before the issuance of bonds as hereinabove provided, each member of the commission shall give such bond as may be fixed by the Commissioner of Public Roads conditioned upon the faithful performance of all duties required by this act. The cost of such bonds shall be deemed an operating expense of the commission. The commission shall elect a chairman and a vice chairman from its members, and may establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

The amendment was agreed to.

The next amendment was, in section 9, page 12, line 5, after the words "order of the", to strike out "Chief of the Bureau" and insert "Commissioner", so as to make the section read:

SEC. 9. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the commission shall be entitled to compensation for their services, but the maximum compensation of the chairman in any year shall not exceed $1,200 and of each other member in any year shall not exceed $600. The members of the commission shall also be entitled to receive traveling-expense allowance of 10 cents a mile for each mile actually traveled on the business of the commission. The commission may employ a secretary, treasurer, engineers, attorney, and other such experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the commission paid or discharged, or provision for all such payment shall have been made as hereinbefore provided, and after the bridge shall have been conveyed to the Illinois interests and the Indiana interests as herein provided, and any ferry or ferries shall have been sold, the commission shall be dissolved and shall cease to have further existence by an order of the Commissioner of Public Roads made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Carmi, Ill., notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Carmi. At the time of such dissolution all moneys in the hands of or to the credit of the commission shall be divided into two equal parts, one of which shall be paid to said Illinois interests and the other to said Indiana interests.

The amendment was agreed to.

The next amendment was, in section 13, page 14, line 13, after the word "tolls", to strike out "or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management", so as to make the section read:

SEC. 13. Notwithstanding any of the provisions of this act, the commission, in its discretion, shall have power at any time to sell, transfer, and convey such bridge and approaches thereto either to the State of Illinois or the State of Indiana, or to any public agency, or any political subdivision of either of such States within or adjoining which any part of such bridge is located, or any two or more of them jointly: *Provided, however,* That if such bridge shall be sold, transferred, and conveyed to the States or public agencies or political subdivisions thereof or to either of them, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing costs, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring the same, and after a sinking fund sufficient for such amortization shall have been so provided such bridge shall thereafter be maintained and operated free of tolls. In the event of the acquisition of such bridge pursuant to the provisions of this section, an accurate record of the amount paid for the acquisition of the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and the daily tolls collected shall be kept and shall be available for the information of all persons interested. No such sale, transfer, or conveyance shall be made except for a consideration sufficient to enable the commission to retire all of its outstanding bonds and obligations and unless prior to or simultaneously with such sale, transfer, and conveyance all outstanding bonds of the commission shall be called for redemption and moneys sufficient to effect such redemption deposited and irrevocably pledged for that purpose.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT TO RULE VIII—CONSIDERATION OF MEASURES BY UNANIMOUS CONSENT

The resolution (S. Res. 30) amending rule VIII so as to prohibit action by unanimous consent on bills in cases where a Senator has given written notice of his objection to their consideration was announced as next in order.

Mr. BARKLEY. Let the resolution go over.

Mr. ADAMS. Mr. President, the majority leader has suggested to me that he would like to have the resolution go over. I desire, however, to say a word by way of explanation; and I hope the majority leader will be willing at an early date to have the resolution taken up, if not upon the call of the calendar, at some other time. It is a resolution for the purpose of making in fact the passage of bills by unanimous consent what it is intended that it should be.

What is intended is that in order to expedite business, if there is no objection to a bill, it shall go through promptly; but, on the other hand, we know that frequently bills are passed through the Senate as if there were no objection, as if they had unanimous consent, when objections to the bill exist and are known to exist. The resolution provides that if

a Member of the Senate wishes to place upon the record his objection to a bill, so that it becomes a matter of record, the bill cannot pass by unanimous consent; it will not pass some day when the Senator happens to be sick or absent from the Chamber; so that if any Member has a definite objection to a bill and is willing to sponsor his objection upon the record, thereafter the bill shall not be passed by so-called unanimous consent when it is known that there are objections to it.

Mr. BARKLEY. Mr. President, I wish merely to state in that connection that I asked that the resolution go over because it has just been reported. It proposes an amendment to the rules with reference to the procedure when bills on the calendar are under consideration by unanimous consent. I do not know that I oppose the resolution, but I wish to look into it and see what effect it will have upon the passage of bills. Under the resolution, as I read it, any Senator who objects to a bill may file a written objection and then go off and stay indefinitely, and until he withdraws his objection it will never be possible to take up the bill except on motion. That may be all right, and it may be that the Senate will want to do that; but I should like to look into the resolution before we do it.

For that reason I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will go over on objection. The clerk will state the next bill on the calendar.

INSPECTIONS AND INVESTIGATIONS IN COAL MINES

The Senate proceeded to consider the bill (H. R. 2032) relating to certain inspections and investigations in coal mines for the purpose of obtaining information relating to health and safety conditions, accidents, and occupational diseases therein, and for other purposes, which had been reported from the Committee on Mines and Mining with an amendment, in section 9, page 8, line 2, after the words "Provided, however," to strike out ", That in the selection of persons for appointment as coal-mine inspectors any inspector employed shall be an accredited mining engineer or the equivalent thereto with the basic qualification of five years' practical experience in the mining of coal" and insert "That in the selection of persons for appointment as coal-mine inspectors any inspector employed shall be a person with a basic qualification of five years' practical experience in the mining of coal", so as to make the section read:

SEC. 9. The Secretary of the Interior, acting through the United States Bureau of Mines, shall have authority to appoint, subject to the civil-service laws, such officers and employees as he may deem requisite for the administration of this act; to fix, subject to the Classification Act of 1923, as amended, the compensation of officers and employees so appointed; and to prescribe the powers, duties, and responsibilities of all officers and employees engaged in the administration of this act: *Provided, however,* That in the selection of persons for appointment as coal-mine inspectors any inspector employed shall be a person with a basic qualification of 5 years' practical experience in the mining of coal; and in detailing coal-mine inspectors to the inspection and investigation of individual mines, due consideration shall be given to their previous practical experience in the work of mining coal in the State, district, or region where such inspections are to be made.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

BILL PASSED OVER

The bill (S. 935) to amend the Agricultural Adjustment Act of 1938 with respect to commodity loans and marketing quotas, and for other purposes, was announced as next in order.

Mr. McNARY. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS

The bill (H. R. 3205) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1942, and for other purposes, was announced as next in order.

Mr. McNARY. Let the bill go over.

Mr. GLASS. Mr. President, I had expected and hoped to bring the Treasury and Post Office Departments appropriation bill to the attention of the Senate today. There are, however, several provisions in the bill which have created the intensest interest; some Senators who are interested in the measure are absent; and upon conference it has been agreed that we shall postpone the consideration of the bill for 2 weeks. I wish to give notice to the Senate that at the end of 2 weeks I shall insist upon the consideration of the bill.

Mr. McNARY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Oregon?

Mr. GLASS. Certainly.

Mr. McNARY. Upon discussing the matter with the able Senator from Tennessee [Mr. McKELLAR], who probably will have the bill in charge, we agreed upon 2 weeks from next Monday as the date for taking up for consideration the Treasury and Post Office Departments appropriation bill.

Mr. GLASS. That is perfectly satisfactory to me, except that I should like to have the bill disposed of.

Mr. McNARY. That is the understanding.

CORN AND WHEAT MARKETING QUOTAS

The Senate proceeded to consider the joint resolution (S. J. Res. 60) relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended, which was read, as follows:

Resolved, etc., That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the act)—

(1) Within 30 days after the date of the issuance of a proclamation provided for in section 322 (c) of the act or of a proclamation provided for in section 335 (a) of the act, relating to marketing quotas for corn or wheat, as the case may be, the Secretary of Agriculture (hereinafter referred to as the Secretary) shall conduct a referendum, by secret ballot, of the farmers who would be subject to such marketing quotas to determine whether such farmers are (a) in favor of marketing quotas for the crop of the commodity harvested during the then current calendar year and also for the next consecutive crop or (b) in favor of marketing quotas only for the crop of the commodity harvested during the then current calendar year or (c) opposed to marketing quotas.

(2) The Secretary shall proclaim the results of each referendum on corn or wheat within 20 days after the date thereof. If two-thirds of the farmers voting in the referendum favor marketing quotas for the aforesaid two crops of the commodity, marketing quotas shall continue in effect for the crop of the commodity harvested in the calendar year then current and, without a further referendum, marketing quotas shall be in effect for the next consecutive crop of the commodity, unless the supply of the commodity as of the beginning of the marketing year for such crop is less than that which requires marketing quotas under the act. If less than two-thirds of the farmers voting in the referendum vote in favor of marketing quotas for two crops, but the number of farmers voting in favor of marketing quotas for two crops, plus the number voting in favor of marketing quotas for one crop only, represents two-thirds or more of the farmers voting in the referendum, then marketing quotas shall be in effect for the crop of the commodity harvested during the then current calendar year. If more than one-third of the farmers voting in the referendum oppose marketing quotas, then marketing quotas for the crop harvested in the then current calendar year shall not be in effect, but a referendum on marketing quotas may be held, in accordance with the act and this resolution, for any crop or crops harvested in any subsequent calendar year or years. If more than one-third of the farmers voting in any such referendum oppose marketing quotas for corn or wheat, as the case may be, no loan pursuant to section 302 of the act with respect to such commodity will be made during the period from the date on which the results of the referendum are proclaimed by the Secretary until the beginning of the second succeeding marketing year for such commodity. The results of the referendum shall not limit the availability or renewal of any loan previously made.

(3) The farm marketing quota under the act for any crop of corn or wheat shall be actual production of the acreage planted to the commodity on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to the commodity on the farm which is in excess of the farm-acreage allotment for the commodity. The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the "farm marketing excess" of corn or wheat, as the case may be. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. "Actual production" of any number of acres of corn or wheat on a farm means the actual average yield of corn or wheat, as the case may be, for the farm times such number of acres.

(4) The producer shall be subject to a penalty of 30 cents per bushel of corn and 50 cents per bushel of wheat on the farm marketing excess of the commodity. The farm marketing excess shall be regarded as available for marketing, and the penalty and the storage or delivery amount for the commodity shall be computed upon the normal production of the excess acreage. Unless the farm marketing excess is stored or delivered to the Secretary, the penalty computed as aforesaid shall be paid by the producer immediately upon failure so to store or deliver. Any corn or wheat delivered to the Secretary hereunder shall become the property of the

United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce. Where, upon the application of the producer for an adjustment of penalty or of storage, it is satisfactorily shown to the Secretary that the actual production of the excess acreage is less than the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of normal production and as computed upon the basis of actual production shall be returned to or allowed the producer.

(5) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm-marketing excess of any crop of corn or wheat, the entire crop of corn or wheat, as the case may be, produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty.

(6) The penalty upon corn or wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

(7) Whenever the planted acreage of the then current crop of corn or wheat on any farm is less than the farm-acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm-acreage allotment exceeds the planted acreage. The provisions of section 326 (c) of the act shall be applicable also to wheat.

(8) A farm marketing quota shall not be applicable to any farm on which the acreage planted to corn or wheat is not in excess of 15 acres. The marketing penalty shall not be applicable to any farm which, under the terms of the then current agricultural conservation program formulated under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, is classified as a nonallotment farm if the acreage of corn or wheat harvested on such nonallotment farm is not in excess of 15 acres or the acreage allotment for the farm, whichever is larger. If the acreage of corn or wheat harvested on any such nonallotment farm is in excess of 15 acres and in excess of such acreage allotment, the normal production or the actual production, whichever is the smaller, of the acreage harvested in excess of 15 acres or such acreage allotment, whichever is larger, shall be taken as the farm marketing excess and shall be subject to penalty: *Provided*, That there shall be no penalty on wheat grown on any such nonallotment farm from which no wheat is sold if the acreage of wheat harvested on such farm does not exceed such acreage per family living thereon as may be used for home consumption without reducing the payment with respect to the farm under the then current agricultural conservation program.

(9) Until the farm marketing excess of corn or wheat, as the case may be, is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty of 30 cents a bushel for corn and 50 cents a bushel for wheat. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer.

(10) Sections 301 (b) (6), 323 (b), and 335 (d) of the act, as amended, shall continue in full force and effect, and all other provisions of the act, as amended, relating to corn and wheat marketing quotas shall continue in effect insofar as not inconsistent with any provision of this joint resolution.

Mr. McNARY. Mr. President, I was not present when this joint resolution was reported by the Committee on Agriculture and Forestry. I should like to have a statement from the chairman of the committee as to the purpose of the joint resolution.

Mr. SMITH. Mr. President, the joint resolution was drawn by the Department, and there was some language which was not easily understandable. The Department asked to have the joint resolution returned to them, and it was returned. They then wrote it in such language that it was absolutely acceptable to the committee.

As the measure now stands, the referendum is clearly up to the farmers on the question whether there shall be a quota for 1 or 2 years, or no quota at all. That is clearly set forth in the joint resolution. If the farmers vote for 2-year quotas, and the current crop is not sufficient to justify quotas for the next year, there will be no quota.

The joint resolution also provides that those who do not raise in excess of 15 acres of corn or wheat shall not be subject to any of the penalties provided. The penalties are 30 cents for corn and 50 cents for wheat on acreage in excess of their normal yield. In my opinion, the matter is absolutely subject to the action of the farmers themselves.

Mr. McNARY. What increase in penalty is applicable to wheat growers?

Mr. SMITH. No increase at all.

Mr. McNARY. I think there is some increase.

Mr. SMITH. Does the Senator mean an increase over the previous provision?

Mr. McNARY. Yes.

Mr. SMITH. As the joint resolution came from the Department it provided for a penalty of 40 cents as to corn and 50 cents as to wheat. I think originally the penalty was 15 cents in each case.

Mr. McNARY. I am sure of that; but what is the provision in the pending measure? I have not the joint resolution before me, and should like to know what penalty is provided as to wheat.

Mr. SMITH. Fifty cents.

Mr. McNARY. Fifty cents a bushel?

Mr. SMITH. Yes; and 30 cents as to corn.

Mr. McNARY. It does not apply to any producer who has under cultivation 15 acres only or less?

Mr. SMITH. No.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution (S. J. Res. 60) was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. The calendar is completed.

DISCHARGE OR RETIREMENT OF CERTAIN ENLISTED MEN

Mr. SHEPPARD. Mr. President, I ask that the Senate recur to order of business 65, Senate bill 239.

The PRESIDING OFFICER. The Chair is advised that Senate bill 239 was considered and passed on March 17 and a motion to reconsider the vote by which the bill was passed was made by the Senator from Texas [Mr. SHEPPARD], and agreed to. Is there objection to recurring to the bill?

There being no objection, the Senate resumed the consideration of the bill (S. 239) to provide for the discharge or retirement of enlisted men of the Regular Army and of the Philippine Scouts in certain cases.

Mr. SHEPPARD. Mr. President, I wish to say to the senior Senator from Michigan [Mr. VANDENBERG] that I have looked into the matter to which he referred when the bill was before the Senate recently, as to the probable cost involved. The War Department estimates that the cost for the first year will be $40,000, and probably $340,000 in 5 or 6 years.

Mr. VANDENBERG. Mr. President, first I wish to thank the Senator from Texas for his great courtesy, at the time of the previous call of the calendar, in voluntarily himself withholding action on the bill because of my previous objection. That was typical of his fair play and his sportsmanship.

Mr. SHEPPARD. I thank the Senator.

Mr. VANDENBERG. Under the statement which the Senator now makes regarding the bill, I withdraw my objection.

The PRESIDING OFFICER. The bill having previously been engrossed and read the third time, the question is on its passage.

The bill was passed.

AUTHORIZATION FOR SUBMISSION OF COMMITTEE REPORTS

Mr. BARKLEY. I ask unanimous consent that during the recess or adjournment of the Senate following today's session the committees of the Senate be authorized to make reports upon legislation or nominations.

Mr. McNARY. Mr. President, I think that should be limited to appropriation bills. That was formerly the practice. As to legislative bills, at times no information is given as to the contents.

Mr. BARKLEY. In my request last Monday I included all committees because one or two committees had taken action but the reports had not been prepared. I have no objection to the limitation of this request to the Committee on Appropriations. I have no information about any other committee being ready to report.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

AUTHORIZATION FOR SIGNING BILLS AND RECEIVING MESSAGES DURING RECESS

Mr. BARKLEY. Mr. President, I ask unanimous consent that during the recess or adjournment of the Senate following today's session the Vice President be authorized to sign any enrolled bills ready for signature, and that the Secretary of the Senate be authorized to receive messages from the House of Representatives.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. BARKLEY. Mr. President, I have been asked by Senators what the program in the Senate is to be during the

next week or so. It was announced in this morning's newspapers, and I was told privately, that beginning about next Thursday or Friday the House of Representatives will take a recess, under a "gentleman's agreement," for about 10 days. I am not able to say now whether the Senate can enter into any such arrangement as that. We hope to dispose of the agricultural appropriation bill on Monday, and an additional supplemental appropriation bill. If we do that, in all likelihood, no other appropriation bill will be ready for consideration next week. There is on the calendar a bill reported from the Committee on Agriculture and Forestry, the so-called parity bill. I have not been spoken to by anyone interested in the bill as to when it should be taken up, and therefore I am not able to give the Senate any information about it. But so far as appropriation bills are concerned, the only two which will be ready for consideration next week are the two which will be reported and taken up Monday. Whether the other bill to which I have referred, or any other proposed legislation of any importance, will arise at any time next week, I am not able to say today, but I think I will be able to make an announcement on that subject Monday.

Mr. SMITH. What is the bill to which the Senator is referring?

Mr. BARKLEY. One is the agricultural appropriation bill and the other is a supplemental appropriation bill.

DEFICIENCY APPROPRIATIONS—CONFERENCE REPORT

Mr. ADAMS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3836) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1941, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1941, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, and 13.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 7, 8, 9, 12, 14, 15, 16, 17, 18, 19, and 21 to 35, inclusive, and agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "$165,380,000: *Provided*, That the $1,500,000 transferred hereby from the amount available for 'Pay, subsistence, clothing (and repair thereof), transportation, and hospitalization of enrollees' and thereby made available for expenditure for other expenses of the Civilian Conservation Corps shall continue available until June 30, 1942: *Provided further*, That of the funds hereby transferred not more than $75,000 may be used for new repair shops, including equipment therefor"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "to remain available until June 30, 1942, $2,225,000: *Provided*, That no part of this sum allocated for expenditure in connection with the control and prevention of spread of the white-fringed beetle shall be used in any State without the request of the Governor of such State"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"BONNEVILLE POWER ADMINISTRATION

"Construction, operation, and maintenance, Bonneville transmission system: For an additional amount for construction, operation, and maintenance, including the same objects specified under this head in the Interior Department Appropriation Act, 1941, to remain available until expended, $1,000,000."

And the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20 and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "and, in addition, the Secretary of the Treasury may enter into contracts for an amount not in excess of $500,000 in connection with five of such tenders to meet contingencies arising under escalator clauses in contracts for such tenders which relate to increased costs of labor and material,"; and the Senate agree to the same.

ALVA B. ADAMS,
CARTER GLASS,
KENNETH MCKELLAR,
CARL HAYDEN,
JAMES F. BYRNES,
GERALD P. NYE,
Managers on the part of the Senate.

C. A. WOODRUM,
CLARENCE CANNON,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
GEO. W. JOHNSON,
JOHN TABER,
R. B. WIGGLESWORTH,
Managers on the part of the House.

The report was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

The following executive reports of a committee were submitted:

By Mr. MCKELLAR, from the Committee on Post Offices and Post Roads:

Sundry postmasters.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That concludes the calendar.

AGREEMENT AS TO USE AND OPERATION OF NAVAL BASES

Mr. DANAHER. Mr. President, we find on our desks today a message from the President of the United States, from which it appears that the President has transmitted to the Congress a copy of an agreement which was signed in London, March 27, 1941. Is that agreement on file?

The PRESIDING OFFICER. The message was laid before the Senate this morning, the present occupant of the chair is informed.

Mr. DANAHER. Is the agreement on file in the office of the Secretary of the Senate?

The PRESIDING OFFICER. It has been referred to the Committee on Foreign Relations.

Mr. DANAHER. I thank the Chair.

ADJOURNMENT TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 2 o'clock and 29 minutes p. m.) the Senate adjourned until Monday, March 31, 1941, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 27 (legislative day, March 24), 1941

POSTMASTERS

ARKANSAS

Fred H. Bond, Stephens.

CONNECTICUT

James J. Slattery, Norwalk.

FLORIDA

Louis Goldstein, Fernandina.
Ethel L. Hadsock, Newberry.
Thelma M. Houghton, Port Orange.

ILLINOIS

William A. Schulke, Riverton.

INDIANA

William Wert, Marion.
Udell Smith, New Palestine.
Ivan Dale Watson, Russiaville.

IOWA

Henry W. Graichen, Amana.
Martin O'Connell, Vail.
Jeanette L. Lee, Ventura.
Mary Catherine Winnike, West Point.

MAINE

Ernest C. Libby, Yarmouth.

MICHIGAN

Noah H. Viau, Cheboygan.
Wayne C. Uckele, Erie.
Earl Hudson, Gobles.
William Bonek, Suttons Bay.
William H. Stickel, White Pigeon

MONTANA

Odin H. Blockhus, Big Sandy.
Edwin E. Sykes, Ekalaka.
Ethel H. Burchak, Stanford.

NEBRASKA

Lester H. Andersen, Naper.
Fred W. Schuman, Osceola.

NEW HAMPSHIRE

Wallace D. Jones, Meriden.

NEW YORK

William O. Wiley, Cape Vincent.
Edward L. Coon, Chittenango.
Blanche C. Randall, Hilton.

NORTH DAKOTA

Henry R. Wohl, Anamoose.
Emil R. Christensen, Drake.

OHIO

Harry R. Shipman, Orwell.

77TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { No. 364

CORN AND WHEAT QUOTAS AND LOANS

APRIL 2, 1941.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. FULMER, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. J. Res. 149]

The Committee on Agriculture, to whom was referred the joint resolution (H. J. Res. 149) relating to marketing quotas and loans under the Agricultural Adjustment Act of 1938, as amended, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

It has become apparent that certain changes are needed in the farm marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, relating to corn and wheat, if marketing quotas should become effective for those commodities for the 1941–42 marketing year. The proposed resolution is designed to simplify the administration of marketing quota programs on corn and wheat and to enable farmers to make the quotas more effective in accomplishing the purposes of the act.

Paragraph 1 of the resolution redefines the farm marketing quota for corn and wheat to be the actual production of the acreage planted to the commodity on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to the commodity on the farm which is in excess of the farm acreage allotment for the commodity. In the case of corn, the planted acreage and excess acreage shall not include the acreage of corn on the farm harvested as silage. The smaller of the normal production or the actual production of such excess acreage is called the farm marketing excess. The term "actual production" of any number of acres of corn or wheat on a farm is defined to be the actual average yield of corn or wheat, as the case may be, for the farm, times such number of acres, but the acreage of corn harvested as silage is expressly excluded.

Paragraph 2 of the resolution provides that the marketing penalty for corn or wheat shall be computed upon the farm marketing excess of the commodity. The rate of the penalty is fixed at 50 percent

of the basic rate (that is the rate fixed without the differentials provided in sec. 302 (e) of the Agricultural Adjustment Act) of the loan on the commodity applicable to cooperators during any marketing year under section 302 of the act and the resolution. Farmers have indicated that the penalty of 15 cents per bushel, as now provided in the act, is too low to result in the desired adjustment of the amount to be marketed during the marketing year. With the higher penalties, it is expected that growers generally will store the farm marketing excesses rather than pay the penalty and place the commodity on the market at the time when it is not needed.

Paragraph 3 of the resolution provides that the farm marketing excess for the purpose of computing the penalty or storage or delivery amount shall be computed upon the basis of the normal production of the excess acreage, but provision is made for a downward adjustment in the penalty or storage amount if the producer proves that the actual production of the excess acres is less than the normal production thereof. This amount may be stored or delivered to the Secretary in lieu of paying the penalty, but the penalty becomes due upon the failure of a producer to store or deliver the required amount within such time as may be prescribed by the Secretary pursuant to regulations issued by him. Corn or wheat delivered to the Secretary becomes the property of the United States and is to be disposed of by the Secretary for domestic or foreign relief purposes or in such other manner as will keep it out of the normal channels of trade. Provision has been made for the producer to turn over the amount of the farm marketing excess to the United States if the penalty amount should be more than the market value of the commodity or if, for any other reason, the producer desired to deliver it.

Paragraph 4 of the resolution provides that until the producer (a) pays the penalty, (b) stores the required amount, or (c) delivers the required amount, the entire crop of corn or wheat, as the case may be, on the farm is made subject to a lien in favor of the United States, and none of it may be fed or otherwise disposed of without arrangement for payment of the penalty. The lien is provided as a means of preventing the disposition of the crop by feeding to livestock or otherwise without payment of the penalty or storage or delivery to the Secretary of the farm marketing excess.

Paragraph 5 of the resolution provides that if the amount of the commodity stored in lieu of paying the penalty is depleted through any cause except one beyond the control of the producer the penalty with respect to the amount depleted must be paid by him.

Paragraph 6 of the resolution makes provision for a reduction in the amount of the commodity required to be stored if the producer in a subsequent year plants less than his allotment. It appears desirable to permit producers to reduce their plantings in a subsequent year and release the corn or wheat stored, thereby adjusting marketings to requirements. This paragraph also makes applicable to wheat the provisions of section 326 (c) of the act, which provides that all storage requirements applicable to previous crops of corn shall terminate if, in any subsequent marketing year, marketing quotas for corn are not in effect for that year.

Paragraph 7 of the resolution provides for certain exemptions from the operation of the quotas. No quota will be applicable to any farm on which 15 acres or less are planted to the commodity. On farms

classified as nonallotment farms under the agricultural conservation program, the marketing penalty will not be applicable if the acreage of corn or wheat harvested on the farm is not in excess of 15 acres or the acreage allotment for the farm, whichever is larger. Other exemptions are provided for farms on which wheat is grown solely for home consumption. Provision is made that in determining the acreage planted to corn or the acreage of corn harvested under this paragraph, and also for the purposes of section 323 (b) of the Agricultural Adjustment Act of 1938 relating to the 300-bushel exemption from quotas, the acreage of corn harvested as silage shall be excluded. It appears that the administration of the program will be greatly simplified by exempting from marketing quota provisions farms on which only small acreages of the commodity are grown, as well as farms on which wheat is grown solely for home consumption. A somewhat larger number of small farms will be exempt from payment of the marketing penalty than would be the case under the present provisions of the act.

Paragraph 8 of the resolution provides that until the farm marketing excess is stored, delivered to the Secretary, or the penalty thereon is paid, the buyer is required to pay the penalty on each bushel of the commodity purchased by him which was produced on an overplanted farm, but the buyer may deduct the amount of the penalty from the purchase price. Once the penalty on the excess has been paid, either by the producer or the buyer, the producer will be permitted to market the rest of his production without payment of penalty.

Paragraph 9 of the resolution fixes the rate of penalty for cotton for the 1941–42 and subsequent marketing years at a rate equal to 50 percent of the basic rate of the loan for cooperators for such marketing year under section 302 of the act and this resolution. As in the case of corn and wheat, it appears that the present rate of penalty is too low to result in the desired adjustment of the amount to be marketed during the marketing year. However, the increased rate of penalty would apply only to the 1941 and subsequent crops of cotton, and would not affect the 2-cent and 3-cent rates of penalty which are in effect for the 1940 and prior crops of cotton.

Paragraph 10 of the resolution directs the Commodity Credit Corporation to make available upon the 1941 crops of the commodities cotton, corn (in the commercial corn area), wheat, or tobacco, loans to cooperators at the rate of 75 percent of the parity price for the commodity as of the beginning of the marketing year. Provision is also made for loans, in the case of corn, to cooperators outside the commercial corn-producing area and to noncooperators in the commercial corn area, and, in the cases of wheat, cotton, or tobacco, to noncooperators, at rates comparable to the rate applicable to cooperators generally. Loans will be made at the rates fixed in this resolution only in the event that marketing quotas become effective for the commodity during the marketing year. The only effect of this paragraph is to make the loan rate under section 302 of the act mandatory at 75 percent of parity.

Paragraph 11 of the resolution makes it clear that certain provisions of the act, which have been referred to as being carried forward, will remain in effect, and that the provisions of the resolution are amendatory of, and supplementary to, the Agricultural Adjustment Act of 1938, and that all provisions of law applicable in respect to marketing

quotas and loans under such act, as so amended and supplemented by the resolution, are made applicable.

The resolution, in effect, provides for the determination of a farm marketing excess on corn and wheat and puts the marketing penalty on this excess of the commodity, regardless of whether it is actually marketed, thereby making unnecessary the determination of the actual production and the actual marketings of the commodity on the farm. The acreage of corn used as silage is expressly exempt from the operation of the quotas, and in this respect goes further than the present provisions of the act.

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Union Calendar No. 111

77TH CONGRESS
1ST SESSION

H. J. RES. 149

[Report No. 364]

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IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 1941

Mr. FULMER introduced the following joint resolution; which was referred to the Committee on Agriculture

APRIL 2, 1941

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

JOINT RESOLUTION

Relating to marketing quotas and loans under the Agricultural Adjustment Act of 1938, as amended.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(1) The farm marketing quota under the Act for any crop of wheat shall be the actual production of the acreage planted to wheat on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat. The farm market-

1 ing quota under the Act for any crop of corn shall be the
2 actual production of the acreage planted to corn on the farm
3 which is not harvested as silage, less the normal production
4 or the actual production, whichever is the smaller, of that
5 acreage planted to corn on the farm which is not harvested
6 as silage and which is in excess of the farm acreage allotment
7 for corn.

8 The normal production, or the actual production, which-
9 ever is the smaller, of such excess acreage is hereinafter called
10 the "farm marketing excess" of corn or wheat, as the case
11 may be. For the purposes of this resolution, "actual pro-
12 duction" of any number of acres of corn or wheat on a farm
13 means the actual average yield of corn or wheat, as the case
14 may be, for the farm times such number of acres, but shall
15 not include corn harvested as silage.

16 (2) During any marketing year for which quotas are
17 in effect, the producer shall be subject to a penalty on the
18 farm marketing excess of corn and wheat. The rate of the
19 penalty shall be 50 per centum of the basic rate of the loan
20 on the commodity for cooperators for such marketing year
21 under section 302 of the Act and this resolution.

22 (3) The farm marketing excess for corn and wheat shall
23 be regarded as available for marketing, and the penalty and
24 the storage amount or amounts to be delivered to the Secre-
25 tary of the commodity shall be computed upon the normal

1 production of the excess acreage. Where, upon the appli-
2 cation of the producer for an adjustment of penalty or of
3 storage, it is shown to the satisfaction of the Secretary that
4 the actual production of the excess acreage is less than the
5 normal production thereof, the difference between the amount
6 of the penalty or storage as computed upon the basis of
7 normal production and as computed upon the basis of actual
8 production shall be returned to or allowed the producer.
9 The Secretary shall issue regulations under which the farm
10 marketing excess of the commodity for the farm may be
11 stored or delivered to him. Upon failure to store or deliver
12 to the Secretary the farm marketing excess within such time
13 as may be determined under regulations prescribed by the
14 Secretary, the penalty computed as aforesaid shall be paid
15 by the producer. Any corn or wheat delivered to the Secre-
16 tary hereunder shall become the property of the United States
17 and shall be disposed of by the Secretary for relief purposes
18 in the United States or in foreign countries or in such other
19 manner as he shall determine will divert it from the normal
20 channels of trade and commerce.

21 (4) Until the producers on any farm store, deliver to
22 the Secretary, or pay the penalty on, the farm marketing
23 excess of any crop of corn or wheat, the entire crop of corn
24 or wheat, as the case may be, produced on the farm shall be

1 subject to a lien in favor of the United States for the amount
2 of the penalty.

3 (5) The penalty upon corn or wheat stored shall be
4 paid by the producer at the time, and to the extent, of any
5 depletion in the amount of the commodity so stored, except
6 depletion resulting from some cause beyond the control of
7 the producer.

8 (6) Whenever the planted acreage of the then current
9 crop of corn or wheat on any farm is less than the farm
10 acreage allotment for such commodity, the total amount of
11 the commodity from any previous crops required to be
12 stored in order to postpone or avoid payment of penalty
13 shall be reduced by that amount which is equal to the normal
14 production of the number of acres by which the farm acreage
15 allotment exceeds the planted acreage. The provisions of
16 section 326 (c) of the Act shall be applicable also to wheat.

17 (7) A farm marketing quota on corn or wheat shall
18 not be applicable to any farm on which the acreage planted
19 to the commodity is not in excess of fifteen acres. The
20 marketing penalty on corn or wheat shall not be applicable
21 to any farm which, under the terms of the then current
22 agricultural conservation program formulated under sections
23 7 to 17, inclusive, of the Soil Conservation and Domestic
24 Allotment Act, is classified as a nonallotment farm if the
25 acreage of the commodity harvested on such nonallotment

1 farm is not in excess of fifteen acres or the acreage allotment
2 for the farm, whichever is larger. If the acreage of the
3 commodity harvested on any such nonallotment farm is
4 in excess of fifteen acres and in excess of such acreage
5 allotment, the normal production or the actual production,
6 whichever is the smaller, of the acreage harvested in excess
7 of fifteen acres or such acreage allotment, whichever is
8 larger, shall be taken as the farm marketing excess and
9 shall be subject to penalty: *Provided*, That there shall be
10 no penalty on wheat harvested on any such nonallotment
11 farm from which no wheat is sold if the acreage of wheat
12 harvested on such farm does not exceed such acreage per
13 family living thereon as may be used for home consumption
14 without reducing the payment with respect to the farm
15 under the then current agricultural conservation program.
16 For the purposes of this paragraph and section 323 (b)
17 of the Act, acreage of corn harvested as silage shall not
18 be considered acreage planted to corn, or acreage of corn
19 harvested.

20 (8) Until the farm marketing excess of corn or wheat,
21 as the case may be, is stored or delivered to the Secretary
22 or the penalty thereon is paid, each bushel of the commodity
23 produced on the farm which is sold by the producer to any
24 person within the United States shall be subject to the penalty
25 as specified in paragraph (2) of this resolution. Such

1 penalty shall be paid by the buyer, who may deduct an
2 amount equivalent to the penalty from the price paid to
3 the producer.

4 (9) The marketing penalty for cotton produced in the
5 calendar year in which any marketing year begins (if be-
6 ginning with or after the 1941–1942 marketing year) shall
7 be at a rate equal to 50 per centum of the basic rate of the
8 loan for cooperators for such marketing year under section
9 302 of the Act and this resolution.

10 (10) The Commodity Credit Corporation is directed to
11 make available upon the 1941 crop of the commodities
12 cotton, corn, wheat, or tobacco, for which marketing quotas
13 for the marketing year beginning in the calendar year 1941
14 are in effect, loans as follows:

15 (a) To cooperators (except cooperators outside the
16 commercial corn-producing area, in the case of corn) at
17 the rate of 75 per centum of the parity price for the
18 commodity as of the beginning of the marketing year;

19 (b) To cooperators outside the commercial corn-
20 producing area, in the case of corn, at the rate of 75
21 per centum of the rate specified in (a) above;

22 (c) To noncooperators (except noncooperators out-
23 side the commercial corn-producing area, in the case of
24 corn) at the rate of 60 per centum of the rate specified

in (a) above and only on so much of the commodity as would be subject to penalty if marketed.

(11) The provisions of this resolution are amendatory of and supplementary to the Act, and all provisions of law applicable in respect of marketing quotas and loans under such Act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301 (b) (6), 323 (b) (except as provided in paragraph (7)), or 335 (d) of the Act.

Union Calendar No. 111

77TH CONGRESS
1ST SESSION

H. J. RES. 149

[Report No. 364]

JOINT RESOLUTION

Relating to marketing quotas and loans under the Agricultural Adjustment Act of 1938, as amended.

By Mr. FULMER

APRIL 2, 1941

Referred to the Committee on Agriculture

APRIL 2, 1941

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

certainly not expedited our own aviation program for this type of plane.

The debacle in Greece has the significant note that the Allies were outnumbered 8 to 1 in air combats. The British and Greeks were simply air bombed out of their strong defensive position.

The old military strategy of mile-by-mile struggle for possession of forts and trenches as a primary objective in warfare is obviously obsolete.

The victors in the wars of today and tomorrow will be those who can best ignore and overreach armies and navies, and use their air superiority to strike directly at vital spots like water, food, and power sources, munitions plants, harbors, and airdromes. Then comes the victorious onslaught of the armored divisions, but air superiority is the first essential.

With all these in mind, now appears to be the time for the Congress to act vigorously in authorizing the creation of at least a separate and independent air force in the Navy and Army in order that mistaken loyalties to the older services and blind resistance to changes may no longer so seriously handicap the national defense. As a preliminary step, the Navy air force might be made an independent unit like the Marine Corps. Likewise, a separate service of supply seems desirable for aviation. Squadrons in training for an offensive aerial warfare should not be hamstrung by either a divided command or by inadequate replacement parts. To accomplish the best results a specialized aviation supply service should be created, and the high command should likewise be vested in specialists in aviation warfare, and not in prejudiced bureau chiefs who have to be qualified in all major naval subjects.

In addition to the previously made comments, I respectfully present the following suggestions for consideration of the Committee on Naval Affairs, and its distinguished and able chairman, the gentleman from Georgia [Mr. VINSON].

These items are offered after consultation with eminent authorities on the subject, and in their judgment I have the highest confidence. The outcome of the war may be determined by the secrecy with which new inventions can be developed and put into use.

First. Inventions of a military nature conceived by a United States citizen should be considered as subject to the law of eminent domain to be acquired at the option of the Government by an action somewhat similar to the condemnation proceedings under which land is acquired. Disclosure of such idea or invention except to designated officers of the Government would be forbidden by law under penalty.

Second. All inventions would be submitted to and examined by a special board of officers chosen for their scientific knowledge and experience, whose duty it would be to appraise the value of the invention or idea and recommend to the Secretary of War or the Secretary of the Navy the amount of compensation which should be made to the inventor.

Third. As any patent or other disclosure of an invention or idea of military importance would render it valueless to the Government, the acquisition of such an invention would naturally be conditional upon the absence of any such disclosure by the inventor.

Fourth. In order to discourage later disclosure of such invention after it has been acquired by the Government, the compensation awarded should be payable in installments over a term of years. Such payments to cease if at any time the Government obtained evidence that the invention had been disclosed to anyone without written permission of the Government.

Fifth. No discrimination in value would be made between a completely developed invention and a crude idea which the board considered capable of development into practical form.

Sixth. All development and manufacture of secret devices of inventions of value to the Government should be carried on by the Naval Research Laboratory, which should be sufficiently enlarged and equipped to carry on such work.

Mr. MAGNUSON. Will the gentleman yield?

Mr. SCRUGHAM. I yield to the gentleman from Washington.

Mr. MAGNUSON. I have listened to the gentleman's statement with a great deal of interest. The gentleman appreciates that both the House Military Affairs Committee and Naval Affairs Committee have been instructed by the House to make a thorough investigation of the defense activities of both the Army and Navy. For such purpose we have set up separate committees. The Naval Affairs Committee has set up a separate aviation subcommittee to go into the very subject that the gentleman has mentioned in his conference report. I happen to be chairman of that subcommittee. I hope that the gentleman will come before us and sit with us so that we can get the benefit of his ideas, because he has given the matter a great deal of study.

Mr. PITTENGER. Will the gentleman yield?

Mr. SCRUGHAM. I yield to the gentleman from Minnesota.

Mr. PITTENGER. Some time ago there was a rather startling newspaper item to the effect that the United States would have Canada build vessels in Canada, that we would pay for them, then they would be brought over here and we would transfer them under the lend-lease bill to Great Britain. Are the provisions of this appropriation bill sufficiently strong to protect the American people against that sort of outrageous procedure if somebody in authority should decide to do that?

Mr. SCRUGHAM. Such a suggestion was not considered in connection with this bill, and there was no provision made therefor.

Mr. PITTENGER. Does the gentleman not think it is about time that Congress when it appropriates money put some strings on the appropriation so that it will prevent such a startling procedure as I have outlined and which the Secretary of the Navy is quoted as having said met with his approval?

Mr. SCRUGHAM. In general, provision has been made to govern expenditures along lines of authorized procedure.

Mr. PITTENGER. The gentleman states there has been such provision?

Mr. SCRUGHAM. Yes.

Mr. MAGNUSON. I understand the gentleman feels that one of the most objectionable things now as far as naval aviation activities are concerned is that it is not a separate unit, it is still under the control of the Navy Department, and as such cannot function as well as if it were a separate unit such as the Marine Corps and could function as such, of course, subject to correlation with the naval authorities.

Mr. SCRUGHAM. Generally speaking, we have no objection to an air force as an adjunct of the Navy and the Army to the extent necessary for them to perform their mission; but we are of the opinion there should be created an air force designed specifically and primarily for the purpose of aerial offensive in warfare. We regard the recent debacles in Europe as due primarily to lack of proper aerial offensive organization on the part of the Allies.

Mr. PITTENGER. How much is involved in this appropriation bill?

Mr. SCRUGHAM. About three and one-half billion dollars.

Mr. PITTENGER. Is the chairman of the committee familiar with reports in past weeks and months to the effect there will be a decentralization program and that boats will be built for the Navy Department in midwestern cities, particularly at Duluth, Minn., and at other places on Lake Superior?

Mr. SCRUGHAM. The gentleman from Minnesota made a very able presentation of such question on a previous occasion. That is the only information on the subject which I have in mind.

Mr. PITTENGER. Has the committee any information whether or not the Navy Department is going to keep faith and really decentralize or is it going to spend all of this appropriation on expanding already existing navy yards?

Mr. SCRUGHAM. The money will be spent for the purposes for which it is appropriated, which are given in the bill.

Mr. PITTENGER. Does not the gentleman think it is time that our appropriation committees put some strings on the expenditure of this money so that it will be spent in a way that the welfare of the American people and national defense will be promoted instead of having it on a lopsided basis in connection with an expansion program that will take skilled workmen from the Midwest, from the gentleman's State, to the eastern centers, and leave those midwestern and Western sections almost in a hopeless economic condition to face a hopeless situation?

Mr. SCRUGHAM. The committee has already placed such limitations as it deemed practical and necessary at this time.

Mr. DITTER. Will the gentleman yield?

Mr. SCRUGHAM. I yield to the gentleman from Pennsylvania.

Mr. DITTER. In self-defense, as a member of the Appropriations Committee, I resent the suggestion which appears to me to be critical, coming from

my very well-beloved friend from Minnesota, that this obligation rests on the shoulders of the Appropriations Committee. I want to remind him that in the largest degree and to the fullest extent the Appropriations Committee must abide by, first, authorizations as the House passes them, and, secondly, by the determinations of the departments, as they are a part of the executive branch of our Government. So it would be futile for the Appropriations Committee to tie strings onto a very vitally important defense measure simply for the purpose of what some people might call logrolling.

Mr. PITTENGER. I had no intention of being critical of the highly esteemed gentleman from Pennsylvania, who speaks for the Appropriations Committee. I do not want him to set up a straw man, then knock it down again, because the members of the Appropriations Committee are the most able Members of the House; neither do I want the implication to remain that I believe in logrolling. I do not.

I know that my distinguished colleague from Pennsylvania is too high-minded to submit to any such tactics, but I believe this little colloquy illustrates what I have long felt, namely, that the tail wags the dog. The departments come down here and get all the money they want and spend it the way they want to spend it. I do not know a better place to start on a program of seeing that the departments do the right thing than right here in Congress, with appropriate safeguards on appropriation bills.

I am not criticizing anybody. I am stating facts. My distinguished colleague from Nevada has been most courteous in permitting me time to make these inquiries.

Mr. DITTER. Mr. Speaker, will the gentleman yield?

Mr. SCRUGHAM. I yield to the gentleman from Pennsylvania.

Mr. DITTER. My distinguished friend from Minnesota knows only too well that I would not impute to him the slightest suggestion of logrolling. I know he is motivated at all times by an interest that does not permit stooping to sordid practices of that character, and that he is always mindful of the national need as he approaches these items. I join with him wholeheartedly in the observation he makes that somehow or other we ought to get hold of the executive branch of the Government and keep it in line with the will and the wish of the people as it is represented here in the House. I commend the gentleman for the splendid contribution he has brought to the discussion of the day. [Applause.]

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CORN AND WHEAT QUOTAS AND LOANS

Mr. COLMER. Mr. Speaker, I call up House Resolution 187.

The Clerk read the resolution, as follows:

House Resolution 187

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 149, a joint resolution relating to marketing quotas and loans under the Agricultural Adjustment Act of 1938, as amended. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without amendments.

CALL OF THE HOUSE

Mr. CASE of South Dakota. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. COX. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 47]

Anderson, N. Mex.	Hall, Leonard, W.	Powers
Bradley, Mich.	Harris, Va.	Rabaut
Buckler, Minn.	Holmes	Ramspeck
Buckley, N. Y.	Hook	Robinson, Utah
Burch	Jenks, N. H.	Romjue
Burdick	Jennings	Sacks
Burgin	Johnson, Lyndon B.	Satterfield
Byrne	Jones	Scanlon
Celler	Kilburn	Schaefer, Ill.
Clark	Kirwan	Scott
Cluett	Kopplemann	Shafer, Mich.
Cole, N. Y.	McArdle	Shannon
Costello	McGranery	Sheridan
Crowther	McKeough	Simpson
Dies	McMillan	Smith, Pa.
Domengeaux	Marcantonio	Somers, N. Y.
Eberharter	Martin, Mass.	Stearns, N. H.
Edmiston	Mitchell	Sutphin
Flannery	Mundt	Sweeney
Fogarty	Nelson	Taylor
Folger	O'Day	Wadsworth
Geyer, Calif.	Osmers	Welch
Gifford	Plumley	White
Grant, Ind.		Wolfenden, Pa.

The SPEAKER. Three hundred and sixty Members have answered to their names, a quorum.

On motion of Mr. Cox, further proceedings, under the call, were dispensed with.

EXTENSION OF REMARKS

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by the Honorable Matthew F. McGuire.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARNESS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address that I delivered at Anderson, Ind., recently.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

(Mr. TENEROWICZ asked and was given permission to extend his own remarks in the RECORD.)

CORN AND WHEAT QUOTAS AND LOANS

Mr. COX. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. FISH] to be in turn yielded by him as he sees fit.

At this time I yield to the gentleman from Alabama [Mr. HOBBS] to make a brief announcement.

Mr. HOBBS. Mr. Speaker, I appreciate this gesture of friendship and courtesy on the part of the gentleman in control of the time, the gentleman from Georgia, Judge EUGENE COX. I have asked for this time merely to make an announcement.

In the patio of the Administration Building of the Department of Agriculture, the marble building facing the Mall, there is displayed, today and tomorrow only, an exhibit of new uses of cotton which the research laboratories of the Marketing Division of the Surplus Marketing Aministration have perfected. There are on display fireproof cotton shingles, fireproof cotton outer walls, fireproof cotton wallpaper, and fireproof insulation made of cotton. There is a cotton house, complete. We are all desperately busy, but I feel sure that many of the Members and our guests in the gallery will find this one of the most interesting exhibits they have ever seen if they can drop by for a few minutes. It is open to the public, and, of course, free of any admission charge.

Mr. SHORT. Will the gentleman yield?

Mr. HOBBS. I am happy to yield to the gentleman from Missouri.

Mr. SHORT. I hope the gentleman will include also the fireproof cotton blankets. I understand the Red Cross has purchased 10,000 of them, which I think will be of great benefit.

Mr. HOBBS. I thank the gentleman. There are also cotton mattresses, cotton paving for irrigation ditches, roads, and airport runways.

This exhibition is well worth seeing and is most creditable intrinsically. But when we think of the years of top-flight thought and painstaking work back of each one of these proven products, too much credit can hardly be given to Milo Perkins, Administrator of the Surplus Marketing Administration; J. B. Wyckoff, Chief of the Marketing Division; E. H. Omohundro, senior agricultural economist; and the great Department in which they so ably serve.

Mr. COX. Mr. Speaker, I yield 10 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Speaker, I appreciate the fact that the distinguished gentleman from Georgia [Mr. COX], who is handling this rule, has allotted me time at the beginning of the discussion of this all-important measure. I assure you I shall not take up your time discussing the sad plight of the farmer at the present

time, because that is generally known to all of us. Neither will I take up your time discussing the status of the farmer with reference to our war policy or the provisions of the lease-lend bill, and other conditions that we all know exist, whereby the farmer is one group that is certainly making greater sacrifices than almost any other group and is getting less in return, and I say that without fear of contradiction. During the duration of this war, and also after it is over, the American farmers will be the group that needs the most help and will get the least help.

The farmer is not before you today making any demand. He has to work for beneficial farm legislation through us, as his friend and representative. He is before you through you and me as the representatives of agriculture, and all other friends of agriculture, requesting that he be given some additional farm relief legislation. Our Committee on Agriculture is now holding hearings, and has been for quite some time, on the general farm program. I do not know if and when a general farm bill will be brought out of our committee. No one knows whether it will be, if reported, a cost-of-production bill, a price-fixing bill, a certificate plan, a processing plan, a parity loan program, or just what it will be; but we do know we are working at the job. We do know that we are doing the best we can under the existing circumstances. It is recognized by all to be a complicated and complex problem, with many different plans and angles.

Today you have an opportunity, as we see it, really to do something constructive for the farmer, although I must admit it is not of a permanent nature. It is in the nature of an emergency. I wish we could now get a high-loan program that would work and be permanent.

How does this House Joint Resolution No. 149 get before the House? Briefly, the Senate, in March of this year, passed a resolution whereby quotas were to be voted by referendum on wheat and corn. This resolution was introduced in the House, and, of course, it was sponsored by the Department of Agriculture. You and I, and everybody else, know it is a very complicated job to administer any farm program, and, furthermore, this resolution is not only to simplify administration, but it is an effort to have prices for farm commodities raised to the producers of farm commodities. As we all know, the quotas have never been voted by the farmers on wheat and corn, and the present program has been under the Soil Conservation Act.

The farmers producing cotton and tobacco have voted quotas, but the farmers producing wheat and corn have not, because they have not been asked to because the sacrifices and the benefits have not had the relationship that the Secretary of Agriculture felt was necessary to call for a referendum; but, Mr. Speaker, we know that today surpluses are being piled up in all agricultural commodities. We know that our export trade is gone. We know that while we are planting 62,000,000 acres of wheat, we have about 700,000,000 bushels of wheat carry-over. From past experience and from statistics, we know there is no way to consume domestically more than about 685,000,000 bushels of wheat annually. We also know that if these surpluses continue to pile up, the prices will have to be pushed down. That means the farmer not only pays the bill but will be left holding the bag.

We further know that the only way to hold up prices on agricultural commodities is to put a base or a foundation under them, and the method being used now is the loan method. This is putting a floor under the major agricultural commodities. The higher the loan, the stronger the floor.

When this resolution came from the Senate to the House Committee on Agriculture, we knew the gigantic task that was ahead of us, but we reasoned that the farmers wanted quotas for the corn farmer and the wheat farmer, and in order to have quotas and to make the program effective you have got to raise the penalty for the noncomplier. You know the penalty for noncompliance on wheat has been only 15 cents a bushel. We thought that penalty would be sufficient when the act of 1938 was enacted, but we now know that 15 cents a bushel, as a penalty for a noncooperator, is not sufficient, because he goes on and does not comply, pays his penalty, and puts his commodity on the market and floods the market at a time when the prices are pounded down. So in our effort not only to help the wheat and corn farmer, knowing the penalty to be effective would have to be raised, the House Committee on Agriculture said that if we increased the penalty we should increase the mandatory loan provision as it now exists. There is a loan provision in the present Agricultural Adjustment Act which permits the Secretary of Agriculture to loan on the five basic agricultural commodities anywhere from 52 percent to 75 percent of parity.

The selling price of rice and tobacco and corn has been around 75 percent of parity, but wheat and cotton have not, and there has been authorized a loan of only 56 percent of parity on these two commodities. That is the highest loan that the Secretary of Agriculture has authorized on wheat and cotton. Fifty-six percent of parity, Mr. Speaker, does not put the farmer in the picture where he deserves to be. So our Committee on Agriculture, in the joint resolution that we now have before you, said that we would provide 75 percent mandatory loans to be loaned by the Commodity Credit Corporation on these four major agricultural commodities, and we did not include rice for the reason that rice is already above 75 percent of parity. However, I think you all realize that the Committee on Agriculture always tries to be broad-minded and fair; and if there is any serious reason why rice should be included here, I do not believe we have any serious objections to including rice, but we are endeavoring to do something by way of a mandatory loan at this particular time for the commodities that are below 75 percent of parity.

Generally, these are the provisions of this House Joint Resolution No. 149. It differs vastly from the measure the Senate passed. As I have said, we put a 75-percent mandatory loan on these commodities and provided certain penalties. We do not provide a penalty of 30 cents for corn or 40 cents for wheat, as was asked originally, but we say that when a commodity receives a 75-percent-of-parity loan the penalty shall be 50 percent of the loan. You understand, of course, that a 75-percent loan on wheat would be approximately 85 cents a bushel. The penalty, which is 50 percent of the loan, would be about 42½ cents for the noncomplier.

I want to be perfectly frank with the House and present this proposition as clearly as I can within the limited time at my disposal. I do not know of any organized group that is against the provisions of this bill as our House Committee on Agriculture has brought it to you. There may be some individuals who may be against it; and if there are, I imagine the reason would be that they feel the penalty on the noncompliers is too severe. I could discuss this matter at length, Mr. Speaker, but when you have a noncompliance with a program, that is what breaks the program down. If a person thinks that 50 percent of the parity loan is too great a penalty for the noncomplier, I beg of you to reason the matter in this way. We cannot legislate, although we endeavor always to take care of minorities, for the very few; that is, those who do not comply. We have got to legislate in a general way and have in mind those who do comply, and the 50-percent penalty will enable the noncomplier even to store his wheat or his other commodities and secure a loan that certainly will not work any hardship on the noncomplier. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, does the gentleman desire any more time?

Mr. DOXEY. It is very kind of the gentleman to suggest it, and I would like to yield to some gentlemen for a few questions, though I do not want to impose on anyone. I know other Members want time, and our time on this resolution is very limited.

Mr. COX. I yield the gentleman 4 minutes more.

Mr. DOXEY. I thank the gentleman, and I shall be glad now to answer any questions that I may be able to.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield?

Mr. DOXEY. Yes; gladly to my colleague from Missouri.

Mr. ZIMMERMAN. I am very much interested in the statement my friend and colleague has made about the penalty to be imposed on the noncompliers. I am very strong for this resolution, and I want to see it pass, but it happens that some of us represent certain sections of the country where a lot of new lands are being put into cultivation, because of certain situations. In other words, in the section of Missouri that I have the honor to represent, formerly a great timber country, large swamp areas were drained at great cost, and heavy drainage assessments and installments were placed against these lands. The owners had to clear the land in order to hold it. As a consequence, many farm homes

have been established, and these men are developing and farming the land in order to get into the farm program, and as yet many have not had sufficient time to get into and comply with the program. To place a 50-percent penalty against this land will virtually drive these farmers into bankruptcy; and while we are trying to help agriculture in general, I insist that something ought to be done to protect these lands and the people who are establishing homes on them. The same situation applies with reference to the irrigated sections where new homes are being established.

Mr. DOXEY. Mr. Speaker, the gentleman is taking up considerable of my time, and I would be very glad to answer any question that he may ask, but I do not want the gentleman to take up all of the time allotted to me. I know how keenly my friend feels about this.

Mr. ZIMMERMAN. I think a discussion of this problem is worth the time.

Mr. DOXEY. I know, and I have a situation such as the gentleman has. I have the answer that I would like to give to you.

Mr. ZIMMERMAN. Does not the gentleman think we ought to do something to help the people in these drainage areas, where heavy drainage installments are placed against these lands that are being cleared? They have to clear the land in order to hold it, and like the farmers in the irrigated sections, where they have to pay heavy installments for water benefits as well as large sums of money to place these lands in cultivation, I think something should be done for them instead of confiscating their homes. They are in a different situation from the farmer who does not have to bear these additional burdens. We should reduce the penalty as to these new-land farmers until they have had time to establish a base and comply with the program.

Mr. DOXEY. I thoroughly appreciate the gentleman's position and the effort that he has made on behalf of these people. I appreciate the fight that he made in the committee, but the gentleman knows as well as I do that a number of us have that same situation. We tried to remedy the situation but how to remedy it I am frank to say I do not know, without doing something that will materially hurt the program. Those in charge of administering it—and they know more about it than we—would say that it would place the program out of balance. The gentleman suggests that those people be exempted. We have been pretty liberal in our exemptions with these farmers. The corn farmer has been exempted 15 acres and the wheat farmer 15 acres in this bill, and we exempt the man who has the usual allotment under the soil conservation, because those people have been independent all of their lives and do not know anything else but farming; but as to the people who have cleared the land in order to get into the program, because that is the only thing they feel they can get a livelihood out of, I can do no more than to say to them that on that rich soil raise all you can and put it into storage and get a loan of 60 or 75 percent of parity, and in that way they will get more money out of it than any other thing that they can raise on the land. I certainly can appreciate my colleague's position, and I know how hard he has worked to remedy this situation.

Mr. ZIMMERMAN. What the gentleman says is true about wheat and corn, but it happens that in the section I represent—one of the greatest cotton-producing sections of the Nation—we grow cotton principally, and there is little left for the new cotton farmer but to pay the penalty.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. COX. Mr. Speaker, I yield the gentleman 1 minute more.

Mr. LEAVY. Mr. Speaker, will the gentleman yield?

Mr. DOXEY. Yes; gladly.

Mr. LEAVY. I want the gentleman to clarify the situation in reference to corn in commercial areas and in noncommercial areas. Corn now is loaned up to 75 percent in what is called commercial corn growing areas. What changes are made here?

Mr. DOXEY. There are about 600 counties in the commercial corn area, and there are counties in every agriculture State that are not in the commercial corn area. Of course, when we wrote this bill, to be frank, we felt that the referendum would be submitted to the corn farmers and quotas assigned, but since the bill has been reported I cannot speak with authority; however, there is some doubt as to whether we will have any referendum this year on corn other than the program under the soil conservation plan. The corn farmers are now given about a 75-percent loan. We want at least a 75-percent loan on wheat and cotton and I hope you vote with us. I believe you will.

The SPEAKER. The time of the gentleman from Mississippi has again expired.

Mr. FISH. Mr. Speaker, I yield to the gentleman from South Dakota [Mr. CASE] 5 minutes.

Mr. CASE of South Dakota. Mr. Speaker, some of us have been busy with committee hearings or other matters the past few days and have had little opportunity to study this bill. I have read the report, however, and have looked through the bill rather hurriedly. Certain questions come to mind to which I would like to direct attention.

In the first place, as the gentleman from Mississippi [Mr. DOXEY] just said, it is very probable there will not be corn quotas this year. So the primary effect of this bill, so far as the marketing quota provision is concerned, relates to wheat. A great deal of wheat has already been planted. Consequently the effect of this bill upon the wheat grower is to affect a situation that has already been created. It is retroactive. The farmer who has planted his wheat planted it on the supposition that if he was not a cooperator, and if he was planting more than he might have if he signed up for the benefit program, he should be subject to a penalty of only 15 cents on the wheat that he might market in excess of the normal production quota. This bill proposes to say to that farmer who has planted in excess of what he would plant if he were qualifying for the benefit payments, "For the excess marketing quota you will have a penalty of 50 percent of the marketing price." In other words, if wheat should go to a dollar, the penalty that this man faces is not 15 cents but 50 cents. That is a condition he did not know when he planted his wheat.

Mr. PACE. Mr. Speaker, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. PACE. I wonder if the gentleman is not somewhat mistaken. It is 50 percent of the loan; not 50 percent of the market value.

Mr. CASE of South Dakota. I am glad to have that correction, for, of course, that means the penalty is not quite as severe as I feared. And I understand the bill increases the loan provision to 75 percent of parity, so that the penalty on wheat would possibly be about 42 cents, if my figuring is correct.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. AUGUST H. ANDRESEN. It would be one-half of 75 percent of parity. That being 84 cents, it would be about 42 cents a bushel.

Mr. CASE of South Dakota. As has been stated by the gentleman from Mississippi [Mr. DOXEY], the intention is to heavily increase the penalty of the noncooperator in these production programs.

Mr. PACE. Does the gentleman think it is necessary to increase the penalty if you are going to increase the loan?

Mr. CASE of South Dakota. Of course, the loan increase for the noncooperator is only on 60 percent of parity, whereas it is 75 percent of parity for the cooperator.

In addition to the penalty provisions, it must be remembered that primarily the emphasis in the 1938 Farm Act was on the positive side of providing benefit payments for cooperators. This bill seeks to increase the penalty on the noncooperator.

Now then, the thing which has particularly disturbed me is this sentence in the final paragraph, of the report of the committee on the bill:

> The resolution in effect provides for the determination of a farm-marketing excess on corn and wheat, and puts the marketing penalty on this excess of the commodity, regardless of whether it is actually marketed, thereby making unnecessary the determination of the actual production and the actual marketings of the commodity on the farm.

That would seem to penalize the producer, whether he seeks to sell his wheat or not. When the 1938 Farm Act was passed we were given to understand that if a noncooperator wanted to raise more wheat than he might have if he were signing up for the benefit program, he could do so, but he would either have to use that wheat on the farm or he would have to suffer a 15-cent-a-bushel penalty when he sold it. I have been told by some members of the committee that this sentence in the report is not a true or

correct statement of what the bill does. If there is some member of the committee who would like to explain that, I will yield to him at this time for that purpose.

Mr. AUGUST H. ANDRESEN. The law passed in 1938 provided that in the event of marketing quotas a farmer could not market in excess of his quota, nor could he feed the excess upon his farm to livestock or poultry that was to go into market; but he could feed that excess to poultry used on his own table, or to a milk cow that provided milk for his own family or to the pig that he kills for food for himself and his family; also for his work horses.

Mr. CASE of South Dakota. Now in the light of this sentence on penalties in the committee report, what is the prospect for the farmer who has not signed up?

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the gentleman from South Dakota 2 additional minutes.

Mr. AUGUST H. ANDRESEN. The prospect is that he has got to turn his excess over to the Secretary of Agriculture; that is, the farmer who produces in excess must turn his excess over to the Secretary of Agriculture or he must store it and not use it in any manner whatsoever.

Mr. CASE of South Dakota. If he must store it, what is he going to do with it?

Mr. GILCHRIST. Will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. GILCHRIST. The time will then come when the storage will be released and the farmer will get that wheat that goes into storage.

Mr. AUGUST H. ANDRESEN. That may be 1950.

Mr. CASE of South Dakota. I would like to ask the gentleman from Iowa what provision in the bill provides that this wheat will be released from storage so that he can market it?

Mr. GILCHRIST. As I have told the gentleman, the language in the report, regardless of whether it is actually marketed or not, is erroneous.

Mr. CASE of South Dakota. But I yielded to the gentleman to explain what he is going to do with this stored wheat. It will deteriorate, of course, in time, under the storage conditions that prevail on the average wheat farm.

Mr. GILCHRIST. I think the chairman can refer to the section of the bill.

Mr. CASE of South Dakota. I yield to the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. If the gentleman will yield, I think I can explain that to him.

Mr. CASE of South Dakota. I yield.

Mr. COFFEE of Nebraska. In the event he has produced in excess of his market quota this year, he will have to store the wheat and will not be able to sell it until it can come within his marketing quota for the next or a later year.

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield 1 additional minute to the gentleman from South Dakota.

Mr. CASE of South Dakota. Can the gentleman from Nebraska inform me in what part of the bill that provision is found, that he is going to have a chance to sell the wheat before the wheat has deteriorated?

Mr. COFFEE of Nebraska. I think it is well to understand that practically all of this is in existing law.

Mr. CASE of South Dakota. Except it greatly increases the penalty on wheat he cannot market.

Mr. COFFEE of Nebraska. It increases the penalties but does not change the existing law materially. The existing law provides that in the event marketing quotas are voted, wheat that is carried in excess of the market quota—the farmer can store it and sell it next year within his marketing quota. In order to do that he may have to reduce his acreage. The important part of this bill is the mandatory loan provision that will raise the price of wheat 20 cents per bushel on this year's crop.

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. EDWIN A. HALL].

Mr. EDWIN ARTHUR HALL. Mr. Speaker, ever since 1935 the 60,000 dairy farmers in upstate New York have been suffering from what might be termed 7 years of Biblical famine.

In 1935 and 1936 devastating floods rushed from the Susquehanna and Chenango and a number of other large tributaries, sweeping every single thing before them, destroying lands, washing away fertile soil, and executing tremendous damage upon the entire countryside. Not satisfied with that, the forces of Nature seemed to be conniving and plotting, for the following year there was visited upon the same section one of the most destructive droughts the entire Nation has ever known. I need not point out to you the widespread suffering, the lack of subsistence feedings, the absolute dearth of hay and fodders that existed. In the years 1938, 1939, and 1940 there was no possibility of obtaining any such thing as hay or fodder at a reasonable price. That presented a problem which was without question one of the most serious the dairy farmers have had to face in the past 25 years. You know and I know that it takes a great deal of time and a lot of industry to build up a good dairy herd; that it takes a period of years in the raising of those animals not only from the time of a possible drought or famine, or tremendous price rise, but many years before that, and it also incurs the outlay of every available bit of cash a farmer can possibly raise.

In addition to that, to take advantage of the situation the 60,000 dairymen of up-State New York found themselves in, there came into various districts where the drought was especially severe a number of exploiters and connivers, who immediately raised the price of hay and fodders a tremendous amount and forced many farmers absolutely to go out of the dairy business. Those who were able to survive were compelled to borrow money at a price way above anything they had ever had to pay before; and so it is that these 7 years of famine have been to the dairy farmers of up-State New York devastating to the *n*th degree.

Mr. SHORT. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. SHORT. It seems to me the tragedy of the gentleman is that the dairy industry, which is by far the largest and most valuable branch of agriculture, has never shared one dime in this agricultural program. The dairy farmers, the poultry raisers, and the fruit growers have been left completely out in the cold.

Mr. EDWIN ARTHUR HALL. I appreciate the gentleman's contribution.

Mr. SHORT. How in the world would this really help any dairy farmer, poultry raiser, or fruit grower?

Mr. EDWIN ARTHUR HALL. There is no possibility of this helping our particular section, and I appreciate the point the gentleman has made.

Mr. RUTHERFORD. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. RUTHERFORD. Has not the gentleman been in Congress long enough to know that dairy farmers do not belong to agriculture at all?

Mr. EDWIN ARTHUR HALL. That is right, notwithstanding they do have to exist on subsistence feeding and other items raised by farmers.

Mr. RUTHERFORD. I mean from the treatment they get here one would not know they belonged to agriculture.

Mr. EDWIN ARTHUR HALL. There is no question about that fact. The gentleman is absolutely correct in stating it.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. EDWIN ARTHUR HALL. I yield.

Mr. PIERCE. Will the gentleman point out how the Committee on Agriculture can aid the fruit growers more than it has?

[Here the gavel fell.]

Mr. EDWIN ARTHUR HALL. I am sorry, but my time has expired.

Mr. HALLECK. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY. Mr. Speaker, in one way I am a little embarrassed today to stand up here and oppose this bill. People have come to me and asked me why I should be interested in it, it does not affect my district. Of course, my answer to that is that pretty nearly all the things we have been doing for the past 8 years have not affected my district. When we are elected to office we should think of the whole United States and not of our own particular district.

To start with, I want to be fair. May I say that as far as the dairy industry is concerned, the fact it has not been a basic commodity is due to the industry itself. There is no one to blame for that except themselves. We had hearings in Wisconsin and also in Minnesota. Over in Wisconsin we let the fluid-milk boys run the show. They said we did not want anything to do with it and that we did not want to be regimented, but I notice they came down here to Washington and got a very acceptable milk-marketing agreement for themselves. Anything I

shall say today will not have any personal, political, or sectionalism atmosphere. For the welfare of ourselves, I shall try to enumerate the reasons that everyone should be very careful before they vote for this bill.

First, I am opposed to this bill because we are doing something that I am not so sure is for the best interest of the farmers of this country. We are freezing or we are going to freeze certain people in the production of wheat. I wonder how many people here today want to freeze the big corporation farmers who are raising wheat and who already have had millions of dollars from the Treasury of the United States? Who wants big operators like Campbell on a 50,000- or 100,000-acre basis. I just wonder how many want to do that in fairness to the average farmer in the United States. This is the third year I have spent trying to fathom some of these new wrinkles in the farm program and the more I study it the more I find we pass legislation for the top and the bottom, but the great bulk of the people in between are the ones who do not get the benefit of the program, and I am willing to defend that statement any time, any place.

Mr. Speaker, I would like to get this one thing across, and I am not going below the Mason and Dixon's line. There is nothing personal, political, or sectional about it. There is one congressional district that has had more money than have any one of 20 States, and a lot of those 20 States believe they are pretty good agricultural States. All we are doing by this bill is making the matter worse. We are going farther down the road for things we should not be for.

Here is my No. 2 reason—this is surely a part of the bill that I want every Member to take home with him, because we are going to get into lots of difficulties. I do not want to get into any argument about the Smoot-Hawley tariff or reciprocal trade treaties, but listen to this: We will say that the parity price of corn is $1 a bushel. According to this bill we can lend 75 cents. One-half of 75 cents is 37½ cents. Is that right? Read the bill over. Any man who is in the program is going to pay 37½ cents every time he sells a bushel of corn. Our foreign farmer brother may ship in all he wants to at 25 cents a bushel. Who wants to legislate a tariff 50 percent higher on our domestic producer than we do on our foreign producer?

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. I believe the gentleman made a mistake in his statement, and I know he does not want to do that. He mentioned that every farmer who sold a bushel of corn would have to pay 37½ cents a bushel. In the first instance, the penalty rate is 50 percent of the loan rate.

Mr. MURRAY. Yes.

Mr. COFFEE of Nebraska. The loan rate is three-quarters of parity, which in this case would be 31 cents.

Mr. MURRAY. If corn is $1 a bushel, he could borrow 75 cents?

Mr. COFFEE of Nebraska. It would not make any difference.

Mr. MURRAY. If parity is $1 a bushel, how much could he borrow?

Mr. COFFEE of Nebraska. Corn is not $1 a bushel.

Mr. MURRAY. We are not legislating just for today. I am asking if the parity price of corn is $1 a bushel?

Mr. COFFEE of Nebraska. The gentleman would be correct.

Mr. MURRAY. If parity on wheat is $1.60 a bushel, three-quarters would be $1.20, and a half of that would be 60 cents. The tariff on wheat coming in from some other country today is only 42 cents. Is there a man here today who wants to go to his farmers and tell them, "I just did a good thing for you. I voted a bigger domestic tariff on you than we require of the foreigner who wants to bring his products into this country."

Mr. COFFEE of Nebraska. No marketing quota will be put into effect this year on corn and, further, this penalty will not apply to noncommercial areas as far as corn is concerned.

Mr. DOXEY. This is to cover those who do not comply. A great majority are complying; therefore the tariff, as you term it, only affects the man who is outside the program and will not comply and who is trying to break it down.

Mr. MURRAY. As long as I have yielded, may I answer the question by asking my good friend the gentleman from Mississippi, with all his interest in cotton, to please tell the Members of the House what you are going to do with the Bankhead cotton bill, which raises the price of cotton up to 14½ cents? They will lend 14½ cents per pound. Cotton today is only 7½ cents in Brazil. I would like to know how you are going to keep cotton from Brazil from rolling right into this country?

Mr. DOXEY. Does the gentleman want me to answer that?

Mr. MURRAY. Yes.

Mr. DOXEY. I will be glad to answer it. If we can get 100-percent parity, we are not worrying about the Brazilian cotton, even though there is no tariff on it, because the Federal Trade Commission and other agencies of the Government have ample authority to protect our market, and we have faith in them. We want to get our house in order and let the Brazilian situation take care of itself. That is our position exactly.

Mr. MURRAY. That is a good answer; but it does not stop the cotton from coming in here.

Mr. DOXEY. Section 22 will take care of that.

Mr. CASE of South Dakota. Mr Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The question I raised on the bill was not raised because I do not want to work out a solution that will be fair to the farmers. I voted for the 1938 Farm Act, but I did it at the time with the assurance to the wheat farmer, who could not come in because he felt that his system of production and his crop hazard and the investment he had did not permit him to come in, that if he wanted to market he would not be subject to a penalty of more than 15 cents. There are a great many wheat farmers today whose quotas have been cut to the point where they cannot sign up any more, because they cannot under the hazards support their farm and carry on with the investment they have and pay their interest to the Federal land bank and sign up.

Mr. MURRAY. I may say to my colleague that I want to get back to this cotton situation.

Mr. CASE of South Dakota. We have to treat them fairly.

Mr. MURRAY. I call the attention of the people today to the fact that this is just one small group of agriculture that is reaching its hands just that much more into the pot of gold. We talk about parity, parity, parity. The cotton crop has had from 45 to 50 percent of parity all these years. This last year it got $96,000,000 out of over $203,000,000, or 47 percent of it. If we are going to have class legislation continually for the few at the top and the few at the bottom, we are going to end up just about the same as agriculture is going all over the United States today.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Michigan.

Mr. CRAWFORD. If a person once accepts the philosophy of granting parity loans of 100 percent or parity loans of 75 percent to the cooperator, does he not necessarily have to accept the philosophy that a penalty must be imposed? Let me change my question around. Is there any way, any practical way, any sane way, any fair way to promote a program of parity loans or less-than-parity loans without at the same time imposing a penalty on the noncooperator?

Mr. MURRAY. No; I do not believe there is. I believe the farm people of this country are not entitled to and do not ask for any more than any other class of people. I believe that if they voluntarily go into a program they are entitled to 100 percent of parity, because they are going to die just as surely with 75 percent parity as they would with 25 or 50 percent of parity. It is just going to take a little longer to kill them. They are entitled to 100 percent parity. If the Bankhead bill comes over here including all of agriculture, not just a few selected crops, which means only about a third of our economy, I certainly would be glad to vote for it. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield 8 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, I do not know that I can contribute anything to the discussion, but there appears to be a little misunderstanding developed about what the bill does. I am not in the wheat area and I am not in the commercial corn area. My attitude on the committee has always been that the wheat members and the corn members should get together and discuss their problems and confer with the Department, and I try to go along and cooperate with them.

This bill came to us before the announcement by the Department of Agriculture that there would be no corn-marketing quotas this year. It was stated then that corn and wheat quotas would be necessary on account of their enormous surpluses. You understand, I presume, that on July 1 there will be approximately 400,000,000 bushels of surplus wheat. You also probably understand that Canada now has a surplus sufficient to supply Great Britain for 2 years if Canada does not grow another seed of wheat. So the Department took the position that the time had come when they should submit to the corn and wheat farmers the question of whether they wanted to further increase the surplus or wanted to invoke marketing quotas. Many of the members of the committee had no concern in it except to be helpful and cooperative.

There is now in the present act machinery for marketing quotas, but, as has been mentioned, it provides a very small penalty, 15 cents per bushel, on wheat. Wheat has been going up a little. It is hoped that the loan rate will be increased. I know you gentlemen will recognize that if the price goes up or if the loan rate goes up, a small penalty will not prevent any producer from continuing to grow all the wheat he wants to.

There are but two things in this bill. The bill came to us originally with the simple provision to increase the penalties on the excess production of wheat and corn. I believe one penalty was 30 cents and the other one was 50 cents. Some of the members of the committee immediately objected and said, "We cannot go to our people and say, 'We have fixed you up now; we have just increased your penalties. We have not increased your price, we have not helped the price, we have not increased the loan, we have just fixed you up by plastering a higher penalty on you.'" I felt that that was a reasonable objection.

The suggestion was made in the committee, "Penalties and loans should have a comparative basis; that is, if you are going to have a low loan, then a low penalty will be sufficient to protect it. If you are going to have a high loan, you should have a high penalty. Otherwise, a man could take advantage of the loan, pay a small penalty, and make a profit producing wheat and corn outside of the program."

So the formula in this bill was agreed upon, and after wheat and corn agreed to it, then cotton agreed to it, and the penalty on the overproduction of cotton, wheat, or corn was to be 50 percent of the loan. If you loan 75 percent of parity the penalty will be 37½ percent, and if you loan 50 percent of parity it will be 25 percent. If you will stop and think a minute, I am sure you will agree that those two things must go up or down together.

Now, heretofore or this year, corn has been receiving a loan of 75 percent of parity. The cotton and wheat farmers have received a loan of only 56 percent of parity. There is a very earnest effort in our committee to try, as best we can, to keep the commodities on the same basis and have them go along together. The criticism has been made here that our committee has done nothing for dairying. I want to say to you, just as sincerely as I can, the only reason our committee has not reported a bill for dairying is because the dairy producers refuse to get together. We sit there on the committee and one group comes in with a proposal and another comes in with an entirely different proposal. I am just as anxious as any man in the Congress——

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. PACE. Let me complete this statement.

I am anxious to provide exactly the same rights, the same benefits, and the same protection for dairying as I am for any other commodity produced in this Nation, and if the dairy producers will get together among themselves, or a respectable majority of them, and submit recommendations to our committee, I believe I can speak for the committee and say that proper legislation will be presented to the House.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield.

Mr. MURRAY. I just want to call the gentleman's attention to the fact that our colleague the gentleman from Wisconsin [Mr. HULL], who does not happen to belong to my party, had a bill before the committee all last year.

Mr. PACE. And I am very sympathetic toward it.

Mr. MURRAY. And he could not even get it voted on in the committee. We spend more time talking about these things than anything else. We could have voted on that measure 25 times while we were talking about it.

Mr. PACE. But there is very little support from the entire dairy industry for that bill. Personally, I am sympathetic toward it and supported it in committee.

Mr. HULL. Mr. Speaker, will the gentleman yield?

Mr. PACE. Yes. The gentleman has promised to come before our committee soon, and I look forward to his appearance.

Mr. HULL. As a matter of fact, when the hearings were held last year, there was not a soul who appeared in opposition to the bill, and any opposition that did appear, which I do not know anything about, came quietly from some source of which I have no knowledge whatsoever, and you have not a thing in all your hearings against that bill.

Mr. PACE. Let me say to the gentleman that I understand there will be a general meeting of the dairy interests of the Nation next Friday, and I think if the gentleman can produce a recommendation from the dairy producers at that meeting it will contribute materially in the expedition of the consideration of that bill.

Mr. FULMER. Mr. Speaker, if the gentleman will yield right there, I would like to ask the gentleman from Wisconsin if he is proposing to hold anything of that sort against the committee that is now operating in the Seventy-seventh Congress?

Mr. HULL. Perhaps not.

Mr. FULMER. The gentleman is referring to the committee of the Seventy-sixth Congress, and I will say to the gentleman now that at any time he wants to come before our committee on this bill we will be delighted to have him appear and we will give him every consideration.

Mr. PACE. Now, I want to say one other thing. One of the gentlemen said that this bill would "freeze" the big producers of wheat. I understand one of the problems now is that big operators, which have a very low cost of production, have contributed most to this enormous surplus, and I will say to the gentleman that my understanding is that the wheat producers have come in and asked for this legislation in order to prevent those big operators from further expanding and further contributing to the surplus.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. PACE. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. The gentleman has always been very much interested in the problems of the renters or the sharecroppers, and I am wondering how the gentleman feels about the problem this will present to the farm renter who rented his farm last year and planted his wheat either last fall or this spring, with the prospect of a 15-cent penalty if he overplanted, and the problem he faces now where he cannot hope to be able to pay the rent for his farm and his other expenses.

Mr. PACE. I regret that my time does not permit me to answer that question.

Mr. COX. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. PACE. I may say to the gentleman that there is a problem there, but as I understand it, their wheat is planted nearly the year round, because you have a winter wheat and a spring wheat, and I do not believe at any period when Congress is in session you could select a time that would not run into the problem of some producer somewhere in the United States having already planted his wheat. The gentleman, of course, is more familiar with that situation than I am.

Mr. CASE of South Dakota. What would the gentleman think of an amendment exempting the marketing of wheat already planted?

Mr. PACE. The gentleman understands that none of the quotas will be effective unless two-thirds of his producers approve it and it is a question of whether you shall serve the greater number or whether you shall submit to the wishes of the lesser number. We shall offer an amendment to the bill which will protect many of those to whom the gentleman refers.

Mr. CASE of South Dakota. I thought one of the gravest concerns of government was to protect the weak or the minority. The strong always have ways of protecting themselves. Your sharecropper or your farm renter is the man who faces the most serious problem.

[Here the gavel fell.]

Mr. HALLECK. Mr. Speaker, I yield the gentleman 1 additional minute for the purpose of asking a question. The gentleman has said that it has been determined that corn quotas will not be applied this year.

Mr. PACE. Yes. That is by official announcement of the Secretary of Agriculture.

Mr. HALLECK. That has caused a lot of confusion in the Corn Belt.

Mr. PACE. Yes.

Mr. HALLECK. As I understand the 1938 Farm Act, it provided for the determination of the question as to whether or not there should be quotas by a certain formula that had to do with the carry-over, the proposed production, and the estimated consumption, and whenever the production and the carry-over exceeded a given amount in respect to the expected consumption, the quotas were to be applied. Is this declaration in line with that formula in the bill or not in line with it?

Mr. PACE. I refer the gentleman to section 371 (b) of the Agricultural Adjustment Act, which states that any time the Secretary concludes quotas would be either an increase in export demand or in a time of emergency, he may suspend the marketing quotas. I am sure that the Secretary is acting under the authority of that act.

The SPEAKER. The time of the gentleman from Georgia has again expired.

Mr. HALLECK. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, during the past 8 years hundreds of thousands and tens of millions of dollars have been dished out of the Federal Treasury by this patronizing, paternalistic administration to the farmers of our country, particularly to those who grow cotton, wheat, corn, rice, and tobacco, and in spite of these unparalleled expenditures the American farmer still finds himself in an awful plight. The laws of nature are still absolute and inexorable, stronger than the laws passed by the Congress of the United States, and this House should begin to realize that it cannot abrogate the natural law of supply and demand. Originally the A. A. A. bill bore some degree of honesty, because its avowed purpose was to limit production and to make the farmer carry out orders issued from a centralized bureaucracy. We pursued that policy, plowing under cotton, knocking innocent pigs in the head, burning wheat, until the Supreme Court of the United States declared the act invalid and unconstitutional, and then we found a certain group of men bringing the same old corpse into this Chamber dressed up in new togs, called an act to conserve the soil. I am happy that I stood in this Chamber and at that time said to the membership of this House:

> Tear the mask from this camouflaged measure, get beneath the subterfuge back of the sophisticated argument, and you will find that this Soil Conservation Act is nothing more than a crop-control act, an act to regulate and regiment the American farmer.

Its purpose was to limit production, but because of intensive methods of farming adopted, production increased, although acreage was reduced.

It seems to me that we have had a confession on the floor of the House this afternoon that this is what the A. A. A. is, and that this present resolution will further rob the few remaining independent farmers of the little liberty they have left. The gentleman from Mississippi [Mr. DOXEY] was honest enough to say that we have at the present time a penalty of only 15 cents a bushel on wheat for those farmers who refuse to cooperate or to comply with the program; and that now we bring in a resolution increasing that penalty from 15 cents a bushel to 50 percent of the value of the loan to those who cooperate. I am for the increased loans, but I am against the increased penalties. The evil of one counterbalances the benefit of the other. When you passed the Soil Conservation Act you denied there was anything compulsory about it, but many of us pointed out at the time that because of these economic rewards offered for compliance and because of certain penalties imposed on those who refused to comply, in essence it was mandatory and altogether compulsory. It seems to me that we are just going one step further toward complete, absolute regimentation of the American farmer and are destroying the last vestige of liberty of the most independent group left in America. [Applause.]

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. COX. Mr. Speaker, may I ask if the gentleman from Indiana has any more time that he desires to use?

Mr. HALLECK. The gentleman from New York [Mr. FISH] indicated to me that he would be back shortly and wanted to consume 3 minutes. He is not in the Chamber at the present moment.

Mr. COX. There is just one more speaker on this side.

Mr. Speaker, that the plight of the farmer as a whole is bad, I presume practically everybody agrees. Certainly all Members coming from agricultural sections would agree. It is disappointing to me that Members representing the dairying sections of the country should indicate opposition to this bill. That they should be disappointed that there is nothing in the bill that relieves the situation with reference to the dairy people, I can understand; but it is difficult for me to get their viewpoint and to understand just how it is that they find it within their hearts to oppose a measure that promises some relief to at least a part of the group to which they belong.

Mr. WHITTINGTON. Will the gentleman yield at that point?

Mr. COX. I yield.

Mr. WHITTINGTON. It may be true that under this particular measure the dairy farmers are not benefited, but I call the gentleman's attention to the fact that they are protected now by a tariff; that they participate in the hundreds of millions of dollars appropriated for surplus commodities and that they participate in the soil-conservation benefits.

Mr. COX. Mr. Speaker, this measure was reported unanimously by the great Committee on Agriculture of this House. Since that action there has apparently been a division, as we find indicated in the debate thus far.

The purpose of the measure is to somewhat narrow the disparity in the income of the farm worker and the industrial worker.

Some weeks ago my colleague, Mr. PACE, analyzed a statement issued by the Department of Agriculture which showed that as of October 1940, if the wage income of the farmer had increased in line with that of the industrial worker, cotton, instead of bringing 9.3 cents a pound at that time would have been bringing 28 cents. Wheat, instead of bringing 68 cents, would have been bringing in $2.02. Corn, instead of bringing 59 cents, would have been bringing $1.47. Rice, instead of bringing 63 cents, would have been bringing $1.86. Butterfat, instead of bringing 28.8 cents, would have been bringing 60 cents.

Since that time, instead of there being a narrowing of this difference of income, there has been a steady widening of it.

Now, this bill does not solve the whole problem. It is merely an undertaking, and I think a modest undertaking, on the part of the committee to do what can be done at this time without throwing the whole program out of joint. While it does not take care of all of the growers, it takes care of those whose situation seems worst, from this comparative statement from which I have quoted.

Representatives of the Committee on Agriculture have here on the floor in this debate repeatedly promised the dairy people that when they get together and come before their committee with a proposal to relieve their situation, bad as it is, that they will be before a friendly tribunal and with the prospect of cooperation to the extent of proposing to this House legislation which will in part take care of their needs.

Mr. Speaker, I trust there is no opposition to the rule and I therefore move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. FULMER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 149, relating to marketing quotas and loans under the Agricultural Adjustment Act of 1938, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 149, with Mr. BEAM in the chair.

By unanimous consent the first reading of the House joint resolution was dispensed with.

Mr. FULMER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I want to state to you at the outset that this bill is more or less an emergency bill. The loans are only in effect for 1 year. The purpose of the bill is to give the wheat farmers of this country the right and privilege to vote for marketing quotas. It was generally

understood that the Department expected to call on corn farmers to vote on marketing quotas on corn, but because of a situation that has arisen recently, I understand they are not now planning to vote quotas on corn. If quotas are voted on wheat, then the penalty will be increased to 50 percent of the loan. The loan under this bill on wheat, cotton, corn, and tobacco is to be 75 percent of parity. I understand that the loan on corn at this time is 75 percent of parity.

This bill, if passed under this emergency situation, will give to the wheat farmers of this country about 17 cents a bushel over what they are receiving at this time. It will give the cotton farmers about 2 cents a pound over the present loan, which is about 9.6 cents.

Now, parity on wheat at this time, so the Secretary of Agriculture has told us, is $1.13 7/10. This would give to farmers who are now receiving 55 and 60 cents for wheat about 85 cents per bushel. It would insure to cotton farmers a price of 11½ or 12 cents a pound for this year's crop.

This bill does not apply to any wheat farmer or any cotton farmer who produced cotton or wheat in 1940; only in 1941.

Outside of the dairy people who apparently oppose this bill, and I cannot understand why they oppose the bill in that this Government has given to the dairy interests millions of dollars under section 22 by the Commodity Credit Corporation Act, the only opposition to the bill comes from selfish groups. I regret that Members representing dairy districts oppose the bill. I believe there is not a Member on the floor of this House from any section of the country that produces any type of crop but who knows I am interested in agriculture from a national standpoint and not from a sectional standpoint or the standpoint of any particular commodity. I stand ready to do just what I told the gentleman from Wisconsin [Mr. HULL] a few moments ago, as chairman of the Committee on Agriculture, to give any bill for any commodity prompt consideration. I want to say to you that I am just as anxious to give dairy products, poultry products, fruit, and every product parity as I am cotton or these other products.

Mr. EDWIN ARTHUR HALL. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. EDWIN ARTHUR HALL. I want to commend the distinguished chairman of the Committee on Agriculture for the very fair hearing he has given every bill that has come before his committee this year, but I want to point out to him that last year in the very midst of a tremendous drought in the particular section of the country I represent I asked for a hearing repeatedly on a bill I had introduced that was endorsed by a number of farm organizations throughout the country which provided for transportation of hay, bringing down the price to a reasonable point that could be met by the farmers in my district, but it was not given a hearing. An adverse report on the bill was made by the Department of Agriculture. I tried repeatedly to get a hearing but failed. I feel sure that if the gentleman had granted the hearing the committee would have sided with me as against the Department of Agriculture's report.

Mr. FULMER. I appreciate the statement of the gentleman, and I can assure him I shall be delighted to cooperate with him in every instance.

Mr. Chairman, I regret that Members who represent some agricultural sections of this country, or some agricultural commodity that perhaps is not covered under this bill, will stand up here and join with selfish groups that are absolutely destroying agriculture today. Who opposes this bill? The cotton textile manufacturers and the bread-baking industries of the country. They say: Why, if you pass that bill or any other bill that will help the farmers, unless you take the money out of the Treasury of the United States you are going to ruin my business.

Let me quote from a paper that comes out from New York, representing these textile manufacturers:

> Staple goods 64 by 60 print cloth today is selling at 7½ cents, last month 6 cents, and a year ago 5 cents.

You will see that present prices represent a 50-percent increase, yet the farmer's cotton is selling at or just a little above the loan price.

The City National Bank in New York issues monthly a statement. The last statement was issued on April 15, and in this they named some two thousand-odd large corporations, setting forth the percentage of profit for 1940 over 1939. I quote only two or three of them. Listen to this: "Agricultural implements, 67.2 percent; cotton goods, 77.4 percent," and iron and steel 98.8 percent. If, however, you get from the Department of Agriculture the price of cotton goods today and do some figuring for yourself, you would find that the farmer should be receiving for his cotton at this time 19¾ cents per pound. However, he is receiving just about the loan price.

I was interested this morning when I read a letter from a farmer out in Montana sending me his statement of production, storage, sale price, and so forth. This farmer put into storage 4,455 bushels of wheat. He received a loan thereon at the rate of 55.95—not quite 60 cents per bushel. If you will take out freight, storage, interest, and a check for $22 he had to pay to get the loan, when his wheat was sold at a price of about 75 cents, he came out in debt $16.66. That same farmer this year under this bill, if passed, with the same amount of wheat, would receive a difference of about $750, and all other farmers of that section, or any other wheat section, would receive that rate of increase, yet today we have some Members on the floor of the House who would stand up and assist these selfish groups who are robbing these people of fair prices to kill a bill that would definitely for this year give the farmers an increase of millions of dollars for their cotton and wheat.

We frequently hear it said that the farmer today is getting some of the benefits out of the national-defense program the same as other groups. I deny that statement. On the other hand, they are losing because they are not getting increased prices for what they sell but instead are having to pay increased prices on everything they buy.

Quite a lot has been said about the farmer who is not cooperating. I understand about 10 percent of the wheat farmers are not cooperating for one reason or another. Under this bill the farmer who stayed out and who is trying to destroy the program can come in. He can put his excess wheat in storage, sell his other wheat, or put it in storage; next year he can get his quota and take care of his excess wheat.

Are you going to defeat a bill that means millions to the farmers of this country, who have tried to cooperate in the hope of bringing to agriculture that type of prosperity they are entitled to in line with other groups? Are you going to try to legislate in the interest of a small minority that would destroy those farmers who are trying to cooperate?

Mr. O'CONNOR. Will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Montana.

Mr. O'CONNOR. May I say to the gentleman that I believe the American farmer has just about as good a friend in him as he has ever had in any Representative in Congress. I know the gentleman is trying to do the fair and the honest thing by the farmer which has been denied him in the past. I appreciate that there are benefits contained in this bill for the farmer, and I think the very instance the gentleman has quoted from a farmer in Montana is typical generally in my section. I call the gentleman's attention to the fact, however, that we raise a lot of fall wheat in that country, as well as in all the northwestern section of the United States, and likewise a lot of spring wheat. These farmers have planted their fall wheat, and, of course, it will be harvested in 1941.

Mr. FULMER. Permit me to answer the gentleman. I know exactly what he is asking me because he talked to me about it.

Mr. O'CONNOR. Will the gentleman let me conclude the statement?

Mr. FULMER. My time is going to be up pretty soon.

Mr. O'CONNOR. I will try to get the gentleman 2 additional minutes.

Mr. FULMER. We only have a limited time.

Mr. O'CONNOR. May I say to the gentleman that our farmers are going to harvest that crop planted last fall and this spring. That has already been planted. Now, if we penalize them 35 cents a bushel, or thereabouts, does not the gentleman think that is really unfair to the people who have already planted their crops?

Mr. FULMER. Not at all, for two reasons. They can come in and store that wheat and receive the same benefit that the man who has been cooperating receives, by taking care of his excess wheat in the 1942 program. And if you are going to kill this bill because of one man or 10 percent of the farmers who are not cooperating, then you are going to

deprive thousands of farmers of millions of dollars that they would receive.

Mr. O'CONNOR. I do not want to kill the bill. I think the bill has some merits.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield myself 1 additional minute.

Mr. Chairman, our committee is now holding hearings on major bills pending before the committee. I believe every member of the committee is interested in doing for agriculture what this Congress has done for various other groups, and they have passed some of these bills without a record vote. I believe I can speak for the members of our committee, that is, we propose to put on the steps of Congress a bill that will actually give to farmers that which it has given to other groups, that is, a 100 percent parity bill. I hope that no Member will take the position that because it does not affect the commodity grown in his district, or because it might penalize 1 out of 40 they will defeat the bill but that you will help those of us who are interested in helping farmers pass this bill. [Applause.]

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I dislike very much to take issue with certain Members here, and groups who are sincere in their desire to help agriculture as I am. But agriculture is a big industry in the United States, and it has many ramifications and diversifications. Some of us represent the dairy sections in the northern States and, naturally, we are concerned with the welfare of the dairy farmers.

This bill is not designed particularly to aid agriculture, with the exception of the oan provisions, which increases the existing loan rate and makes it obligatory at 75 percent of parity. The main provisions of the bill are to increase the penalties, providing farmers do not comply with the marketing quotas fixed by the Department of Agriculture.

This is not an emergency measure. The bill becomes permanent law and a part of the Agricultural Adjustment Act, and will continue in operation until repealed.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from South Dakota.

Mr. CASE of South Dakota. Is there anything in the bill which limits the operation of it to 1 year?

Mr. AUGUST H. ANDRESEN. No; except the original A. A. A. Act provides that a vote shall be taken for the calendar marketing year. When the bill came from the Department of Agriculture to our committee, the department requested a 2-year referendum vote. That is, one vote on the marketing quota would stand for 2 years. But the committee turned that down, and the bill as now written only provides for 1 year.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. As I understand, the penalty provision is permanent law. But is it not true that the 75 percent of parity under the terms of the bill, page 16, would apply to the 1941 crop only?

Mr. ANGUST H. ANDRESEN. The 75-percent loan rate will only apply when the marketing quota is in operation.

Mr. WHITTINGTON. It is important and the gentleman may be in error.

Mr. AUGUST H. ANDRESEN. I am sorry. I cannot yield any further.

Mr. Chairman, 3 years ago, in the fall of 1937, you will recall that the House had before it the Agricultural Adjustment Act. I opposed the bill at that time on account of the compulsory features of the act. The proponents of the bill said at that time there was no compulsion in the bill, that is was voluntary, that the farmers did not have to comply if they did not wish to do so. Now we have come to the compulsory control features of the bill. The bureau and the Department of Agriculture, as well as those who advocate this, all admit that compulsion must become effective and they are, therefore, in the case of wheat as they have already done in the case of cotton and tobacco, submitting a referendum to the farmers to have them determine whether or not marketing quotas and penalties shall go into operation.

This bill simply increases the penalties. Of course, the answer will be that the farmers do not have to vote for the marketing quotas. If two-thirds of them vote in favor of the marketing quotas and one-third or less than one-third vote against it, those who are opposed to marketing quotas will be bound by the vote of the two-thirds, and the penalties will go into operation whether they like it or not.

The penalties in this bill are increased. Let us see if the farmers will vote for marketing quotas on wheat. How can they help but do it? The Department offers to pay the wheat farmers 18 cents a bushel parity and soil-conservation payments. In addition, they say, "We will give you a 75 percent of parity loan on wheat," which will make a Government loan of approximately 84½ cents a bushel. If the farmers fail to vote in favor of marketing quotas and compulsion, they receive no loan whatever and they get no parity payments. Therefore the farmer is really up against a difficult proposition where he cannot help himself but vote in favor of the benefits that he is receiving in order to maintain some stability for his farm during this critical time.

Mr. Evans, the head of the A. A. A., has traveled from one end of this country to the other in the wheat sections and has told the farmers, "If you do not vote in favor of marketing quotas, the price of wheat will go down to 25 or 30 cents a bushel." He has said the same thing about corn.

I recognize the critical situation due to the large surpluses of wheat and corn in this country, and that something must be done to put a floor under the economic structure of agriculture. This bill would do that. However, the philosophy of continuing this type of program simply means the piling up of huge surpluses in this country, which eventually is going to break of its own weight, break the Treasury with it, and break all the farmers of the United States.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Oregon.

Mr. PIERCE. Has not Evans told the truth in those statements?

Mr. AUGUST H. ANDRESEN. There is no question but that Evans has told the truth.

Some of the gentlemen in this room blamed the Farm Board when it bought a few hundred million bushels of wheat. Do you know that we have over $600,000,000 of Government money tied up in loan and owned cotton? Do you know that we have around 500,000,000 bushels of corn, and they say they have to get 65 cents a bushel for that corn in storage out through the country and 69 cents a bushel in Chicago?

I want to help the farmers, but the time is coming when we must get down to earth and get a sound program for the farmers in the United States. If we do not get to the position where we pass such a program, agriculture and the entire country will go to wrack and ruin. We have had repeated promises for the last 8 years that we would get together here in Congress and in our committee and enact some sound legislation to take the place of this emergency legislation which is on the statute books. For the first time in our committee, under the leadership of our distinguished chairman, the gentleman from South Carolina [Mr. FULMER], we are having general hearings, with a promise that we will sit down and draft a Nation-wide farm program that will be effective and that will bring the farmers parity income, to which they are justly entitled in our complicated economic structure. [Applause.]

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from North Carolina.

Mr. COOLEY. During the entire hearings before our committee, has a single new idea been expressed by any witness who has appeared there in an effort to solve the farm problem?

Mr. AUGUST H. ANDRESEN. The gentleman is one of the distinguished leaders in the House and I have a high regard for him. I believe the members of the Committee on Agriculture are as well posted as anybody who has knowledge of agricultural problems.

Mr. COOLEY. I agree with the gentleman.

Mr. AUGUST H. ANDRESEN. I have repeatedly proposed, as the gentleman knows, that we should lock our door in the committee room and as American representatives sit down around the table and work out the problem, which we know can be done, without political influence and connivance from an administration that does one thing to help the farmers on one hand and another thing to ruin the farmers on the other hand.

Mr. COOLEY. There is nothing in this bill——

Mr. AUGUST H. ANDRESEN. No; that is what I said in the beginning, but I am just pointing out this whole philosophy that we have before us of regimenting the farmers and penalizing them. We are just piling trouble upon their tired backs today that will make it worse for them when the day of reckoning comes. That day is not very far distant, because when this war is over, unless we mend our ways here and our policies in this country, America and the farmers and the laboring man and industry will be used as the dumping ground for farm products and goods produced by peon and convict labor in other parts of the world and they will try to take the best market we have away from us. It is our job to correct this problem.

I hope when the bill is considered under the 5-minute rule I may have an opportunity to talk on an amendment or two which I propose to offer to the bill. [Applause.]

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. RIZLEY].

Mr. RIZLEY. Mr. Chairman, I have some modesty, being a new Member of this body and also a new member of the Committee on Agriculture, in attempting to convey some of my opinions to the House in connection with this all-important measure.

I may say, at the very outset of the few minutes I have, that personally I am under no obligation to defend the Department of Agriculture. I make this statement because of some things I shall say a little later. The distinguished former Secretary, now Vice President of the United States, made three speeches in Oklahoma during the recent campaign and confined them to my district. Nearly everyone else in the Department of Agriculture was down there telling the people in my district what a calamity it would be to the farmers of that district if I were elected a Member of this House. So I say this to my Republican brothers, that you may certainly know that I am under no obligation whatever to defend the Department of Agriculture.

However, this is an important measure to the people of Oklahoma and to the wheat farmers generally in the United States. I go along 100 percent with the philosophy of my good friend from Missouri that the farmers certainly should not be regimented, and I do not know that I would have voted any differently than did he if I had been in the House when the 1938 act came before the Congress. But we have that act already on the statute books, and we are going into this harvest with a carry-over of something like 400,000,000 bushels of wheat. And my State is third in the production of wheat, 60 percent of which is grown in my district. This bill affects nothing now save and except wheat. As I understand, they are not going to ask for marketing quotas on corn. Here is what it provides, and here is all it does provide: It gives the farmers the right to say by their own vote whether they want these marketing quotas. This House is not saying to the farmers of this country that you have got to take these marketing quotas. All we do by this bill is to give the farmers of this country a chance to vote on whether we have these marketing quotas or not, and it takes two-thirds of that vote to determine the marketing quotas.

Now, I may confess that it does seem somewhat unfair to change the penalty or change the rules of the game, so to speak, in the middle of the game, but after all, the farmers themselves, all over the United States, will pass upon this question themselves. All we are doing is giving them a chance to say whether two-thirds of the farmers who raise wheat in this country and are affected by marketing quotas, want to increase the penalties—and, incidentally, under the provisions of the bill they will benefit under the increased loan values.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. RIZLEY. I have only 5 minutes, but I yield to my distinguished colleague on the Committee on Agriculture.

Mr. AUGUST H. ANDRESEN. When the referendum vote is submitted to the farmers the Department of Agriculture tells them, "If you do not vote you will get no loan and you will get no corn parity payments."

Mr. RIZLEY. I think that is probably true, and, as I said, I yield to no man in my position against any program of regimentation, but I may say further that I think of all the people now who need some protection in the face of this war is the farmer, and that is the reason I made the remarks I did on the floor of this House yesterday. When I called the attention of this membership to the statement of the Chief Executive of this Government, through Mr. Morgenthau, to the effect that we have now got to start a much-belated program of economy by reducing the Budget on nondefense essentials, and we are going to start on the American farmer. [Laughter and applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. Mr. Chairman, I believe we should analyze the issue before the House. In the first place, the Agricultural Adjustment Act of 1938 has provided the law pertaining to marketing quotas. Under that law, if two-thirds of the farmers do not vote for marketing quotas in the case of a referendum, there will be no marketing quotas; but the law also provides that there will be no loans. That is a mandatory provision. Let us not forget what the law is at the present time, because the bill before us today in general simply increases the penalties under the marketing-quota section and makes mandatory loans for 75 percent of parity. The demand for this increase in penalties came from the Department of Agriculture and from the farm organizations. The most important section of the bill, in my opinion, is that providing for loans on the basis of 75 percent of the parity price. This provision was inserted in the bill by our Committee on Agriculture.

I want to make clear my position on this bill. It should be recognized that a number of compromises had to be made in this measure before our committee. It is not like I would want to have it, but it is much better than no law. It should be analyzed in that light. The bill that is before us is very essential insofar as the wheat farmers are concerned.

The loan section that has been put into this bill provides that the Commodity Credit Corporation shall loan 75 percent of the parity price on cotton, wheat, corn, and tobacco. Corn farmers are getting 75 percent of parity loans now, and tobacco is above that. So cotton and wheat are the only commodities that will benefit from this loan section. I offered the amendment to the bill in committee providing for 75-percent loans on wheat. I refused to vote higher penalties unless higher loans were provided. The committee saw fit to accept my amendment and added corn, cotton, and tobacco.

This loan of 75 percent of parity has already been made available to corn producers under the discretionary power contained in the A. A. A. It has not been available to wheat producers. Wheat producers have been getting only 56 percent of parity on loans. The loan rate is the only thing that maintains the price of wheat today. Can we be fair to the wheat producers of this country by setting a price, and that is what it is, of only 56 percent of parity? It should be remembered that 25 percent of the population of this country is engaged in agriculture and that they receive only 8.1 percent of the national income. Unless we provide something that is going to be equitable and fair to these producers, we cannot have prosperity in the country. We cannot restore national prosperity unless we can prevent economic collapse in these sections of the country now producing wheat, cotton, and certain other agricultural products that have been suffering so much. This is what we are up against. We will have a carry-over of about 400,000,000 bushels of wheat as of July 1 this year. This is approximately 100,000,000 more than last year's carry-over and is the highest on record. We are anticipating a 500,000,000-bushel carry-over next year. Why is this carry-over being built up to unprecedented proportions? Simply because our export markets are gone. This is an emergency situation. Our export markets are gone, so legislation of some kind must be enacted that will provide some means of reducing this surplus and at the same time give the wheat farmer a chance to escape bankruptcy.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. FULMER. Mr. Speaker, I yield the gentleman 2 minutes more.

Mr. COFFEE of Nebraska. Thank you, Mr. Chairman.

The wheat farmers are fighting for their existence. They cannot continue to pay increasingly higher prices for their farm machinery and sell their product for 56 percent of parity. The outlook for wheat is not very favorable because of the acreage reduction that is necessary to eliminate the price-depressing surplus which has been brought about by the loss of foreign markets. During the last 10

years our wheat exports have averaged less than 10 percent of our production. Formerly we exported around 30 percent of our wheat. This bill, if enacted, will provide a reasonable loan of 75 percent of parity, which means about 84 cents a bushel on wheat. This will be about 20 cents a bushel above the existing loan rate. It will provide a means of eliminating the price-depressing surplus without forcing the farmer into bankruptcy. The millers can and should pay this price without complaint since there is only about 1 cent's worth of wheat now in a loaf of bread. The ultimate consumer certainly will not be adversely affected. However, it will mean about $150,000,000 a year to the wheat growers. This will not come from the Federal Treasury but from the buyers of wheat.

If the merits of this bill are carefully compared with the demerits, I am sure the bill will receive the support of the Members of Congress. Compromises have been necessary in this as in all legislation. The Senate has already passed a companion measure to this bill which had no mandatory loan provision in it. I am hopeful that the Senate conferees will accept the House provisions when this bill passes and goes to conference. [Applause.]

Mr. GILCHRIST. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I do not like to inflict myself on the House again, but I rise to tell the chairman of this committee that he does not need to put me in bed with any of the big shots in New York, with any of the banks up there. The only reason that I am opposed to this bill is because I do not believe in it and I am not too sure that it is a good thing to stand up here and oppose it, but I do not care enough about politics to sit here day after day and see unfair legislation passed in the name of agriculture as we have had to see legislation passed here now for the third year.

If anyone wants to go out and freeze Mr. Campbell or any other big 50,000 or 100,000-acre wheat farm in America, any man who has that much base acreage, that is all right with me. I would say the people who vote for this bill will be with the big operators. I am trying to do something for the family-size farmer. If it is for the welfare of the family-size farm, I will vote for it, regardless of who brings it in.

We have heard so many things about what you have done for the dairy farmer. I did not want to go into that. I am not opposed to this bill because you have not done anything for the dairy farmer. I am not opposed to it because of the things you have done to him. I will call your attention to the peanut business. Here we have a peanut tariff which shows that the tariff has been gradually raised up to 7 cents a pound on shelled peanuts. With all this talk we have heard about the bad Hawley-Smoot tariff bill, have you ever heard anyone talk about reducing the tariff rates on peanuts? It is 7 cents. It is two and one-third times what it costs to produce a pound of peanuts. Peanuts do not have to worry about any importation. You have got two and one-third times what it costs to produce a pound of peanuts, in the shape of a tariff. A tariff on cheese would have to be 60 cents per pound if it compared to the tariff on peanuts. In addition to that, the other day we passed a peanut bill. We put on a domestic tariff of 3 cents a pound. Now, that is the kind of attention we are giving the peanut industry, a 7-cent foreign tariff and a 3 cent per pound domestic tariff.

As far as cheese is concerned—I did not want to bring that up—but I will say to my good chairman I would like to have you undo the bad things you have done to the dairy industry before you do them any good. Please do not tell me it is because you went out and used some funds to buy butter for 25 and 26 cents a pound, about half or two-thirds what it cost to produce it, and then give it to the customers of the farmers to sit down and eat, that you are doing the dairy business of this country any good; 92-score butter in Chicago for the last 8 years under the New Deal has averaged 27 cents a pound. That is the kind of economy the New Deal has given the dairy farmer—38 percent less than what it was in the 8 years before that. Comparable figures could be given for cheese.

If I or anyone else sat here year after year and saw this group and that group keep taking money out of the United States Treasury for some little crop, I do not care to do so. So I say to you today the only reason I am opposed to this measure is because I know the principle of this legislation is wrong.

I am not opposed to 75 percent of parity. I would be glad to make it 100 percent, but when you continually come in and get funds like we have seen happen here, getting over $300,000,000 for a crop that is worth only $595,000,000, then I say it is time someone called the attention of the people of this country to the fact of how the money is going down a rat hole under the leadership of the New Deal. I do not blame the people in the Department of Agriculture. They are carrying out legislation that we pass. If we pass this kind of legislation, we cannot come back next year and blame them.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. COOLEY. Did I understand the gentleman correctly to say that he is in favor of the loan features of this bill?

Mr. MURRAY. I am in favor of full parity for every agricultural product that is produced by any class of farmers in the United States. I am opposed to sectional, selfish methods of getting money out of the United States Treasury continually.

I am opposed to this bill for two very good reasons. First, this bill freezes the wheat acreage on farms of the big operators who are already in business and have been getting huge sums out of the Treasury. Why freeze this acreage except to the average- or family-sized farmer?

We do some rather peculiar agriculture legislating under the New Deal.

First. We appropriate money to the Dies committee to investigate communistic activities, and we then turn around and appropriate money to start communal enterprises.

Second. We appropriate money to the Reconstruction Finance Corporation to make millions of dollars of loans to big corporations, then drop down and loan money to people without any farms and furnish them 100 percent of the money to buy farms for them.

Third. We buy 12,000 farms at $5,700 each for people who never owned or operated a farm and furnish the money at 3-percent interest, and then turn around and drive 91,195 farmers off their farms because they cannot pay an average mortgage loan of less than $3,000 with $112 annual interest, which has been 4 and 5 percent and now 3½ percent. We drive these average farmers off from their farms and out of their homes and away from an opportunity to make a living; we then build 90,436 housing units for big-city cousins that cost $4,354 apiece and ask the taxpayers of the country to pay $193 of the rent per unit per year for 60 years, which amounts to $28,000,000 per year, or $1,680,000,000 for the 60-year period.

Fourth. While we drive 91,195 average citizens out of their homes, we buy 12,000 more unfortunate farm brethren farms that cost twice as much as the homes and farms of the average citizens we drive off. We federally finance 10,000 to 20,000 homes for the more fortunate of our brethren at the same time we are driving the average person from his home, and this is called humanitarianism when they use these public funds to carry out this unjust program, but I do not know what they call it when they drive average citizens down the road to the W. P. A. and relief rolls.

Fifth. We appropriate millions in the name of agriculture that goes to the big operators and the big mechanized farms, then we also appropriate other millions in the name of low-income groups although a large percentage of it never gets to him, and the large group of regular, average farmers are kept over the barrel trying to compete with the big mechanized corporation operators and are asked to furnish the funds for the low-income projects now in operation.

Sixth. It has been said that $10,000 to $100,000 per year people do the leading and the common people do the bleeding. This is truly correct because we have made a great group of average citizens carry undue burden. We legislate for the top and the bottom and leave the great average citizen to carry the load.

The second reason why I am opposed to this bill is because no Member of this House has a moral, just, or valid reason for voting a domestic tariff on the domestic producers that excels the tariff imposed on the foreign producers.

For example, if the parity price of corn is $1 per bushel. Under this bill the domestic producer will have to pay a tariff or penalty of 75 cents divided by 2, or 37½ cents, per bushel if he raises corn over his quota, and if he is not in the program he will pay the same. If foreign corn is imported the tariff is only 25 cents per bushel. Do I need to waste any more words on this unfair legislation?

If the parity price of wheat is $1.60 per bushel, the domestic producer has to pay 50 percent of 75 percent of $1.60, which is $1.20 divided by 2 or 60 cents per bushel domestic penalty, or tariff, while the foreign farmer has to pay only 42 cents per bushel tariff to enter our market. Is this not enough explanation?

It has always surprised me to find that our southern low-tariff friends do not have tariff on imported cotton, but they do have a domestic tariff of 3 cents per pound on their domestic production. As long as Brazilian cotton sells for 1½ cents per pound below our price we may not need to worry, but what will be the situation if cotton gets to be 16 cents per pound, or parity?

Peanuts are different. They have a 7-cent tariff on foreign importations so our southern friends apparently like this part of the Smoot-Hawley Tariff Act. This tariff is 2⅓ times the cost of producing the peanuts. The domestic peanut producer, by recent legislation, has the protection of an additional 3 cents per pound domestic tariff if he is in the program for his allotted acreage. Of course, if he is outside the program, or plants in excess of the program, the domestic producer will have to pay his 3 cents per pound domestic tariff. This should be conclusive evidence to any fair-minded man whether he live above or below the Mason and Dixon's line, that you cannot have an effective and fair domestic control program without a corresponding effective control on importations. If these domestic tariffs sound better classified as penalties, all well and good, but they are tariffs just the same.

We are missing our agricultural objective if we are trying to give the farmer his share of the national money. The longer we put off legislation that gives all family-sized farms or average farmers parity, the longer it will be before we have a program of common sense and common justice.

Do you realize that one wheat-growing congressional district has had more agricultural subsidies than the farms in the following States:

Payments under Agricultural Adjustment program, 1933–40, inclusive

Arizona	$14,840,706
Connecticut	4,757,988
Delaware	2,979,036
Florida	14,039,451
Maine	6,234,623
Maryland	11,541,637
Massachusetts	3,707,676
Nevada	895,925
New Hampshire	1,207,979
New Jersey	4,285,493
New Mexico	19,833,570
New York	18,586,762
Oregon	26,526,621
Pennsylvania	23,006,813
Rhode Island	193,590
Utah	10,853,591
Vermont	2,970,346
Virginia	26,110,196
Washington	39,776,310
West Virginia	6,491,400
Wyoming	13,218,174

Do you want to be a party to freezing this kind of an unfair situation?

In conclusion, let me state that there is no reason to be satisfied with the 75-percent parity, because in the long run, if the farmer does not get full parity he will be starved to death in his attempt to feed the rest of the Nation.

Let this legislation rest in peace until the Congress is ready to legislate for the great bulk of average farmers who live on family-sized farms. If we do otherwise, we will continue the road we are following that promotes big mechanized farm units at the top and the sustenance homestead type of agriculture at the bottom, with the average family-sized farms gradually eliminated from the picture.

Mr. COOLEY. But what particular section of this bill is the gentleman opposed to?

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. MURRAY. I am sorry, but my time has expired.

Mr. GILCHRIST. Mr. Chairman, I yield 3 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I just want to take this occasion to say that at the proper time I will offer an amendment, on pages 1 and 2, which has to do with the following subject: The penalty for overproduction, I believe, in this bill is fixed as high as 50 percent. If a farmer sells wheat over his acreage, he is fined 50 percent of what the loan base is. In my section there are many small farmers that really cannot make a living on the amount of allotments they have. The amendment which I will offer simply provides to change the definition on page 1 to read as follows:

which is not fed to livestock on the farm.

Just give him a chance to feed that overproduction if he has any to livestock on the farm. If that is done, the same as the corn provision for ensilage, that will give that farmer a chance to use that extra grain without being penalized.

It seems to me that in this period in the history of our country, when we are preparing for war, we will not make any mistake in giving these farmers a chance to raise some livestock.

If this amendment is accepted, we will have to amend line 15, on page 2, after the word "silage", by striking out the period, inserting a comma, and adding "when fed to livestock on the farm."

That is the matter that I will bring to your attention under the 5-minute rule.

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. BURDICK. I yield.

Mr. CASE of South Dakota. I hope the gentleman emphasizes the fact that an exemption is already made for corn used for silage.

Mr. BURDICK. I referred to that in the bill itself. Ensilage is excluded. Give us a chance now to feed this extra wheat to livestock, to produce likestock, and do not penalize us under the circumstances.

Mr. Chairman, I yield back the balance of my time.

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. CREAL].

Mr. CREAL. Mr. Chairman, rather than the technicalities of the bill, which will be discussed at various times, I should like to discuss a few fundamentals. When that Utopian, sound, self-operating, ideal, farm program becomes a law or effective I want to point out to my friends, and no one will dispute, there will be ample provision in it for some sort of limited production in harmony with the old theory of supply and demand. That is in this bill. I want to say further in reference to the word "regimentation" that I have never since I heard that word at any time ever been afraid of it as long as it has been coupled with the word "referendum." I do not believe our unwilling conscripts in the Army would be very much scared about their service if they could meet and on a two-thirds majority go home on the next train. They would not call that very much regimentation. And that has gone along all the way throughout this farm program that is left to God Almighty's great common people and everybody regardless of what he may be doing. It is a fundamental principle in America that the majority rules. It is another fundamental principle that there is wisdom in a multitude of counsel. These are the theories by which the farm program has been based, and that is why, after they use them and vote 90 or 95 percent for a program, it is carried out; and who are we to deny to any class or group, be it organized labor, capitalists, or farmers, that demands the right to meet and vote themselves upon their own question, to deny to them that right?

I said to one gentleman who appeared before our committee: "If it were true that the wheat-growing industry was limited to 50 or 100 men you would not be here today bothering Congress about any legislation, would you?" He said, "Certainly not." I said, "No; you would be at some resort holding a convention and by a majority rule in that convention you would decide on a program of how much wheat you were going to produce for the domestic market and how much you were going to produce to sell at a less price in the world market, and you would never bother Congress." That is just exactly what every other phase of industry does, and the devil, and Congress, and high water will never be able in spite of all your antitrust legislation to keep them from doing that one thing.

Did you ever buy a pair of shoes for 25 percent of parity because there was overproduction? You never did, and you never will. I take off my hat to the superb economic judgment and wisdom of the man who makes shoes, because he has sense enough and power enough within a little group without any legislation from Congress to regulate that shoe market.

All of us will admit that all the giants of industry of the country supplying about 85 percent of the needs of humanity are today thus controlled except the farmer who for the wide diversity of opinion and the various types, nationalities, and localities, and States must proceed blindly. He cannot hold a convention with his fellows at the resort like the hundred producers; he must come to Congress to do the things he cannot do for himself. One Member before the committee referred to the night

riders of Kentucky in the tobacco situation and other similar situations in the West on similar matters. That reference only calls to our attention the leading minds among farm people have felt the need of the authority to control their business like the capitalists of industry control theirs, and to get out of mire and misery of despondency. A system that caused them to raise more and actually get less.

[Here the gavel fell.]

Mr. CREAL. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Time is fixed by the rule. The Chair cannot entertain the gentleman's request.

Mr. GILCHRIST. Mr. Chairman, will the Chair advise me how much time I have remaining?

The CHAIRMAN. The gentleman from Iowa has 7½ minutes remaining.

Mr. GILCHRIST. Mr. Chairman, I yield myself 7½ minutes.

The CHAIRMAN. The gentleman from Iowa is recognized for 7½ minutes.

Mr. GILCHRIST. Mr. Chairman, a man once invented the sewing machine. His name was Elias Howe. If I were not raised in the Methodist Church I could say, "To hell with Elias Howe because he did not make a perfect machine," but I will not say that. I will say: "Maledictions upon Elias Howe for that his sewing machine was found not to be just exactly perfect at the start." So it is with legislation. All legislation is the result of compromise and experience and knowledge as we go forth. Especially is this true regarding legislation for the greatest industry in the world.

We know how this legislation started, we know that farmers were not getting what they ought to get. It was only recently that I drove through the Southland, Tennessee, Arkansas, Georgia, and all around through there, and I saw farmers living in want and squalor, white folks as well as colored folks. They are entitled to a better life. We farmers in Iowa have also been in submergence. They started foreclosures and one out of every seven farmers in my county had foreclosure suits and many were kicked off their farms. Sixty miles west of my home foreclosure case riots broke out and they dragged a judge off the bench because he was about to sign a foreclosure decree. I do not defend that, it is too bad, but I say the duty falls on us to correct that situation, and we ought to do it.

This Congress helps with everything else. I will not take your time to show how in almost every industry except farming we have provided payments of some kind or artificial help of some kind. We did it in the tariffs. We did it in the fair trade bill. Banks get a certain amount of protection. Railways, the coal mines, gold and silver miners, the air lines, the ships, and the newspapers get assistance, and I could go on and name 25 or 30 more industries that get artificial help. But no, you must not do this for the farmer.

My friends on this side of the aisle who oppose this measure say, "Yes, we want to help you, but we do not want to do it at this particular moment or in this particular way." They do not tell you in what way they are willing to provide. They all love the farmer, especially on the first Tuesday after the first Monday in November. Then they seem to forget him. Why do you not help the farmer the rest of the time?

Mr. Chairman, much has been said about regimentation. I represent a corn community. There is no regimentation, as was claimed by the eloquent gentleman from Missouri. Every corn man in the State of Iowa and in the United States has the right to do just exactly as he pleases. He has the option to go into the program or stay out of it, and this bill does not take hold of him and tell him how much he shall plant or how much he shall not plant. He has the right to plant whatever he wants. But the bill does say that "if you go ahead and join with your neighbors in order to reduce the supply and prevent immense surpluses, and therefore raise the price, then we will give you parity payments, we will give you loans, and we will give you other advantages. Take your choice." Many of them in my community and all over the country are taking their choice. They say, "We will go ahead. We will raise all the corn we want to." My nearest neighbor has done that. He lives on a farm about a mile away from a place in which I used to be interested. He goes ahead and does as he pleases and raises corn to his heart's content, and he has no trouble.

We farmers are demanding that platform pledges be kept and that the promises be kept—that the farmers be given some parity and be placed on something like a level with other industries. Our friends of the opposition tell us that while they do not have any bill now, still we must not do this now, or in this way. That has always been true. I have a basket of telegrams and letters from the corn farmers of my district and community asking that parity payments be made. May I say to the folks of this country that they cannot afford not to pay parity to farmers.

The only way to bring prosperity back to our whole country is to see to it that the farmers have money to spend. For every dollar they spend, it has been shown by reliable statistics that $7 will go into industry, manufacture, or trade. You cannot afford not to pay parity to the farmers, because you are losing and will lose billions of dollars every year by not giving equality to agriculture.

The law of supply and demand has been referred to, and even God Almighty has been spoken of. We are all for Him, and for the law of supply and demand. When the surplus is big, then, indeed, the price is low. That is the law of supply and demand that my friends talk about. The bill that we have before us today is one that will insure 75 percent of parity to the growers of these commodities. Since the bill was reported on April 2, a new edict has been handed out, or a statement has been issued by the Secretary of Agriculture by which it now appears that corn will not be subject to a marketing quota this year; consequently this bill will have to be amended in one particular, to which I will call your attention when we reach it, in order that corn may be protected.

Mr. McINTYRE. Will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Wyoming.

Mr. McINTYRE. The gentleman has stated he comes from a corn district. I come from a livestock district. It occurs to me that the exception in here with respect to silage is liable to ruin the livestock business.

Mr. GILCHRIST. The exception in the bill with reference to silage has no import or no power whatever, because corn is not under a marketing quota at all and will not be. That provision was made since April 2, when the bill was reported out. If you will read the provisions, you will see it relates to marketing quotas, so that it has nothing to do with corn as it stands now.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, I am surprised that at this late date, after 8 years, we should hear criticism of the A. A. A. I live on my farm when I am in Oregon, the only home I have. I remember very distinctly that, in the fall of 1932 and in the spring of 1933, from my ranch went great big fat cows, weighing 1,200 pounds, that did not bring $20 apiece. I shipped big hogs, and they did not bring $5 apiece. Thousands of bushels of wheat went for 25 cents. Butterfat brought 13 cents. The farming country was "broke" from end to end. Pitchfork brigades threatened violence. There was despair and turmoil.

I was a member of the Committee on Agriculture when the original Triple A Act was drawn. That was the one thing that brought us out of that Dismal Swamp. [Applause.] There is no question about that. For 2 years we received the benefits of the old Triple A Act, and when the Supreme Court found it was unconstitutional—three eminent judges upholding it—we switched to something else. We did something for the farmers. I hope my friends from Minnesota and Missouri will just remember those dark days away back there when they criticize farm legislation.

What does this bill mean? It raises about 20 cents the floor under the price of wheat, which has to face a quota vote. We now have 400,000,000 bushels of surplus wheat. The surplus will be 500,000,000 bushels next year if allowed to continue without quota. The farmers raising wheat wish to vote to cut down the quantity produced. That is sensible. It takes a 2-to-1 vote to carry the quota.

Under this bill we are going to give them what? Seventy-five percent of parity as a loan; that is all. Corn has been getting a 75-percent loan under the act. Cotton will get it. The loan value is the fixed lowest price.

Mr. Chairman, the Government of the United States has never lost a dollar in connection with a loan on wheat, because it is a commodity we must use. We may have to take over this year a hundred

million bushels of wheat under loans already made, but it is selling now for almost 10 cents more than was loaned on it. The charges can all be paid and the Government will not lose a dollar. The Government will get interest on every loan it has made on wheat.

What else is provided? Somebody stated here it would hurt the cattle business. There is an amendment, offered by the gentleman from Minnesota, which provides that if a man has a little over his quota on corn he can put it in his silage. Yes; that helps the small man, and that was the object of it. It further provides that 15 acres, notwithstanding bushelage, shall be exempt.

We must legislate more in these coming years for the small producer.

This bill is very important to the Northwest. We raise out there 80,000,000 to 100,000,000 bushels of wheat, one-half of which must be used outside the Pacific Northwest. It cannot be consumed in that section. Some goes to the Philippines, some to China. It is very necessary that the Pacific Northwest country vote a quota on wheat in order to reduce its surplus.

I am sincerely hoping that those who have been somewhat critical of the joint resolution will see fit to vote for it when it comes to a final vote. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read.

Mr. TABER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. TABER. Mr. Chairman, I make the point of order against the bill and the report of the committee that the report does not comply with the Ramseyer rule.

The CHAIRMAN. The Chair will be glad to hear the gentleman on the point of order.

Mr. TABER. Mr. Chairman, subparagraph (11) of section 1, on page 7, reads as follows:

> The provisions of this resolution are amendatory of and supplementary to the act, and all provisions of law applicable in respect of marketing quotas and loans under such act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301 (b) (6), 323 (b) (except as provided in paragraph (7)), or 335 (d) of the act.

The Ramseyer rule is as follows:

> Whenever a committee reports a bill or a joint resolution repealing or amending any statute or part thereof it shall include in its report or in an accompanying document—
>
> (1) The text of the statute or part thereof which is proposed to be repealed; and
>
> (2) A comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions proposed to be made.

This joint resolution provides, on page 2, subparagraph (2), line 19, that the rate of the penalty shall be 50 percent of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the act and this resolution.

The act is referred to on page 1, line 3, as—

> The provisions of the Agricultural Adjustment Act of 1939, as amended (hereinafter referred to as the act).

On page 4, line 15, there is a specific amendment adding the word "wheat" to section 326 (c) of the act.

A further amendment appears beginning in line 19, and reads as follows:

> The marketing penalty on corn or wheat shall not be applicable to any farm which, under the terms of the then current agricultural conservation program formulated under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, is classified as a nonallotment farm if the acreage of the commodity harvested on such nonallotment farm is not in excess of 15 acres or the acreage allotment for the farm, whichever is larger.

In line 16, on page 5, appears another amendment defining section 323 (b) of the act.

It is perfectly apparent that this act is an amendment of the Agricultural Adjustment Act of 1938. It is apparent that the provisions of the Ramseyer rule, which I quote, being paragraph 2 (a) of rule XIII of the House, have not been complied with in the report. There is absolutely no statement showing the changes and the effect of the amendments for the information of the House. This is not a general statement of amendment. Those rulings relating to general statements have no application whatever to this particular situation. It is a clear violation of the rule, and it is not in order at this time to consider the joint resolution.

Mr. FULMER rose.

The CHAIRMAN. For what purpose does the gentleman from South Carolina rise?

Mr. FULMER. Mr. Chairman, I make the point of order that the point of order of the gentleman from New York comes too late. The point of order should have been made in the House instead of in the Committee of the Whole.

The CHAIRMAN. The Chairman will be glad to hear the gentleman from South Carolina on the point of order.

Mr. FULMER. I do not care to say anything further on the point of order, Mr. Chairman.

The CHAIRMAN (Mr. BEAM). The gentleman from New York has made a point of order that the report on the joint resolution does not comply with the Ramseyer rule. The gentleman referred first to subparagraph 11 on page 7 of the joint resolution, which reads as follows:

> The provisions of this resolution are amendatory of and supplementary to the act, and all provisions of law applicable in respect of marketing quotas and loans under such act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301 (b) (6), 323 (b) (except as provided in par. (7)), or 335 (d) of the act.

The gentleman from New York has pointed out various other paragraphs of the joint resolution to substantiate his statement that there has been no compliance with the Ramseyer rule.

Cannon's Precedents of the House of Representatives, volume 8, page 51, section 2243, reads as follows:

> The point of order that a report fails to comply with the requirement that proposed changes in law be indicated typographically is properly made when the bill is called up in the House and it comes too late after the House has resolved into the Committee of the Whole for the consideration of the bill.

Again, the Chair points out that on February 10, 1937, the Chairman [Mr. LANHAM], while proceeding in the Committee of the Whole House on the state of the Union, substantiating the language the Chair has just read, held, in effect, that:

> A point of order that a committee report does not comply with the Ramseyer rule comes too late after the House has resolved itself into the Committee of the Whole for the purpose of considering the bill and debate thereon has begun. Points of order against the consideration of bills on the ground that the reports accompanying said bills do not conform to the Ramseyer rule come too late after the House has resolved itself into the Committee of the Whole and consideration has begun.

In view of the circumstances of the case and under the precedents and rules of the House, the Chair is of the opinion that the point of order which the gentleman from New York [Mr. TABER] has stated comes too late. The point of order should have been made in the House and for these reasons the Chair overrules the point of order.

The Clerk will read the bill for amendment.

The Clerk read as follows:

> *Resolved, etc.*, That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the act)—
>
> (1) The farm-marketing quota under the act for any crop of wheat shall be the actual production of the acreage planted to wheat on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat. The farm-marketing quota under the act for any crop of corn shall be the actual production of the acreage planted to corn on the farm which is not harvested as silage, less the normal production or the actual production, whichever is the smaller, of that acreage planted to corn on the farm which is not harvested as silage and which is in excess of the farm acreage allotment for corn.
>
> The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the "farm-marketing excess" of corn or wheat, as the case may be. For the purposes of this resolution, "actual production" of any number of acres of corn or wheat on a farm means the actual average yield of corn or wheat, as the case may be, for the farm times such number of acres, but shall not include corn harvested as silage.
>
> (2) During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of the penalty shall be 50 percent of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the act and this resolution.
>
> (3) The farm marketing excess for corn and wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the

Secretary of the commodity shall be computed upon the normal production of the excess acreage. Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall be paid by the producer. Any corn or wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of corn or wheat, the entire crop of corn or wheat, as the case may be, produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty.

(5) The penalty upon corn or wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

(6) Whenever the planted acreage of the then current crop of corn or wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (c) of the act shall be applicable also to wheat.

(7) A farm marketing quota on corn or wheat shall not be applicable to any farm on which the acreage planted to the commodity is not in excess of 15 acres. The marketing penalty on corn or wheat shall not be applicable to any farm which, under the terms of the then current agricultural conservation program formulated under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, is classified as a nonallotment farm if the acreage of the commodity harvested on such nonallotment farm is not in excess of 15 acres or the acreage allotment for the farm, whichever is larger. If the acreage of the commodity harvested on any such nonallotment farm is in excess of 15 acres and in excess of such acreage allotment, the normal production or the actual production, whichever is the smaller, of the acreage harvested in excess of 15 acres or such acreage allotment, whichever is larger, shall be taken as the farm marketing excess and shall be subject to penalty: *Provided*, That there shall be no penalty on wheat harvested on any such nonallotment farm from which no wheat is sold if the acreage of wheat harvested on such farm does not exceed such acreage per family living thereon as may be used for home consumption without reducing the payment with respect to the farm under the then current agricultural conservation program. For the purposes of this paragraph and section 323 (b) of the act, acreage of corn harvested as silage shall not be considered acreage planted to corn, or acreage of corn harvested.

(8) Until the farm-marketing excess of corn or wheat, as the case may be, is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer.

(9) The marketing penalty for cotton produced in the calendar year in which any marketing year begins (if beginning with or after the 1941–42 marketing year) shall be at a rate equal to 50 percent of the basic rate of the loan for cooperators for such marketing year under section 302 of the act and this resolution.

(10) The Commodity Credit Corporation is directed to make available upon the 1941 crop of the commodities cotton, corn, wheat, or tobacco, for which marketing quotas for the marketing year beginning in the calendar year 1941 are in effect, loans as follows:

(a) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 75 percent of the parity price for the commodity as of the beginning of the marketing year;

(b) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 percent of the rate specified in (a) above;

(c) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 percent of the rate specified in (a) above and only on so much of the commodity as would be subject to penalty if marketed.

(11) The provisions of this resolution are amendatory of and supplementary to the act, and all provisions of law applicable in respect of marketing quotas and loans under such act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301 (b) (6), 323 (b) (except as provided in paragraph (7)), or 335 (d) of the act.

Mr. AUGUST H. ANDRESEN (interrupting the reading of the bill). Mr. Chairman, I move to strike out the last word.

Mr. WHITTINGTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTINGTON. Mr. Chairman, is the bill being read and considered by paragraphs or by sections?

The CHAIRMAN. The bill is being read by sections, and the Chair will recognize gentlemen at the conclusion of the reading of the section.

Mr. O'CONNOR. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. O'CONNOR. Mr. Chairman, I have an amendment to offer at page 2 of the bill.

The CHAIRMAN. The Chair will be pleased to recognize the gentleman from Montana at the appropriate time. The bill is composed of one section, and at the conclusion of the reading of the section the Chair will recognize Members.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent that each numbered paragraph be considered as a separate section and that amendments, as well as debate, be in order at the conclusion of the reading of each paragraph.

Mr. DOXEY. Mr. Chairman, in the interest of saving time, I am bound to object to that request. I would like to have the gentleman agree that we consider the bill as having been read and then proceed immediately to the consideration of amendments.

I ask unanimous consent, Mr. Chairman, that this may be done.

Mr. AUGUST H. ANDRESEN. Let me submit to the gentleman that there are many amendments to be offered and, with a limitation on offering amendments during the reading of the joint resolution, Members will be precluded from talking for any amount of time whatsoever on the bill except to discuss one amendment to strike out the last word at the end of the bill.

Mr. DOXEY. For very obvious reasons, when we are reading the bill by sections we cannot consider paragraphs as sections, and I have got to object to that request. The gentleman can object to my request if he wants to, but I think my suggestion would expedite consideration of the bill.

Mr. Chairman, I ask unanimous consent that the bill be considered as read and that the Committee proceed for the consideration of amendments.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. TABER. I object, Mr. Chairman.

The Clerk resumed and completed the reading of the bill.

Mr. FULMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULMER: On page 5, line 15, before the period insert: "*Provided, further,* That for the marketing year beginning in 1941, there shall be no marketing penalty on wheat with respect to any such nonallotment farm if the acreage of wheat harvested on the farm is not in excess of the usual acreage determined for the farm under the 1941 agricultural conservation program and the county committee determines, in accordance with the regulations of the Secretary, that there will not be marketed an amount of wheat in excess of the 1941 farm-marketing quota."

Mr. FULMER. Mr. Chairman, the purpose of this amendment is to take care of a situation in a great many States where farmers have not been planting wheat for commercial purposes, but have been planting wheat for their own consumption. This will apply in all of the States where farmers have been planting wheat acreage under the soil-conservation program. About 2 years ago they said to me that I could plant 10 acres on my farm, and I have a pretty large farm, but I did not plant any wheat. Under the 1940 act, under the 1940 conservation program, they said to farmers in my State and many other Southern States that they could plant 15 acres to the farm or 3 acres to each family on a farm or their average acreage planted in 1938 and 1939. If a party had five families on a farm he could plant 15 acres, but the farmer who had been planting wheat for consumption on the farm for his tenants and himself, could plant in 1941 the usual

acreage planted or the average of 1938 and 1939. Now, this has all been agreed to and is under the rules and regulations gotten out by the Department. For instance, here is a farmer whose average for 1938 and 1939 would, perhaps, be 20 acres, and under those circumstances if we did not pass the amendment he would be called upon to plow up, say, 3 acres or 5 acres or pay the penalty.

This amendment has been worked out by the Department so as to keep faith with these farmers who are complying with the soil-conservation program, the cotton and wheat programs.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. HOPE. I think it should be very definitely understood that this amendment simply applies to 1 year, and that there should be no attempt to renew it in another year. I am in sympathy with the purpose of the amendment because it does give some men who went into the program in good faith an opportunity to stay in the program this year without suffering a penalty, which they could not have anticipated, but I think we ought to give warning now that that will not happen in another year.

Mr. FULMER. Mr. Chairman, I agree with the gentleman absolutely, and if there is a wheat farmer in my country today who has planted wheat as a noncooperator and has an acreage above what he is is entitled to plant he will be penalized under this, and should be. I can assure the gentleman that so far as I am concerned there will not be any attempt on the part of those of us who represent that class of farmers referred to to give them any advantage after this year. In fact, it is no advantage, but is carrying out a program that has been agreed to.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. BROWN of Georgia. I think I brought this Arends bill to the attention of the chairman the other day. This is confined to an area where they do not have the quota and, of course, none of this wheat is produced for commercial purposes, but for consumption on the farm.

Mr. FULMER. Yes. Referring to the letter the gentleman has in his hand, that farmer has 12 tenants, and that would give him 36 acres, and in the period 1938–39 he planted 44.4 acres. And under this amendment this farmer would be exempt and should be.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. CASE of South Dakota. Does the gentleman think that the amendment will take care of the situation to which I directed attention earlier, where a farmer has already planted his acreage and cannot change that acreage now? Will that protect the man under the 1941 Marketing Act?

Mr. FULMER. I take it the gentleman is referring to a farmer not cooperating and of course it would not apply in my section nor in the gentleman's State, but under the bill we are now about to pass that noncooperator can come in and store his wheat and get a loan and still have his quota as if he had been in under the program, and next year come in and comply and utilize that which he has stored, but if he persists in staying out, then he would be penalized on the amount of the excess.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BOREN. Mr. Chairman, I rise in opposition to the amendment. I am opposed to this amendment because it does not provide for the noncooperators. The gentleman who just preceded me, the gentleman from South Carolina [Mr. FULMER], said the noncooperator is provided for to the extent of what he has produced and stored and if he produces over his quota this year, that can be put in storage, but if he puts it in storage, under the provisions of this act, next year he will have a reduction in his quota to the extent of the amount of his storage, so the penalty is the same. That means that the farmer who borrows money and has his wheat planted, yet he will have to carry the interest over from this year and reduce his acreage and income next year, carrying that interest rate, and his expectation is reduced just the same as if that bill were retroactive. I do not think this amendment honestly answers the question of making this bill retroactive on the farmer who has already planted his wheat.

Personally I am opposed very much to the general principle of the bill. It is less than 2 years since we stood in the well of this House and agreed on a general farm bill, upon the ground that it was voluntary, and time after time the advocates of this bill stood here and said, "If you don't want to come in under the farm bill you don't have to, we are just giving you a chance to get the benefit, if you want to do it voluntarily," and yet today you bring in a bill that raises the penalty for noncooperation from 15 cents per bushel to 50 percent. If a bushel of wheat sells for $1.25 the penalty next year to stay out will be 62½ cents.

You bring in a bill that abolishes any voluntary action on the part of the farmer; abolishes any democracy in the farm program. You bring in a bill that makes the farm program definitely and finally compulsory. I am bitterly opposed to that bill on the principle that it makes forever and ever the farmer who has already had his acreage, and his children and his children's children and his grandchildren forever and ever serfs and slaves to a fixed program that he has no voice in, and he has only the whip of compulsion over his back forever. I sincerely hope that this committee will defeat this amendment because it does not answer the fact that this bill is retroactive. I sincerely hope that the American Congress will not today enact a bill that will put the scourge of compulsion on the back of the farmer forever. As far as I am concerned, I will be no party to it. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina [Mr. FULMER].

The amendment was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 7, after line 10, add the following new section:

"SEC. 2. That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended, that after June 1, 1941, corn harvested as silage for feed on the farm shall not be included as part of the corn acreage allotment."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the population of the United States 40 years ago was 75,000,000 people. Today our population has increased 57,000,000 or up to over 132,000,000, yet this year the acreage of corn is the lowest in 40 years. We just wonder what is happening to the corn and the huge surpluses and the lack of consumption in this country.

Mr. CREAL. Will the gentleman yield? They used to eat corn bread then.

Mr. AUGUST H. ANDRESEN. Well, I think some people do still eat corn bread. I hope so.

Mr. O'CONNOR. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. Let me discuss my amendment for a moment and then I will yield.

In a commercial corn area which takes in approximately 600 counties, mostly located in the Middle West in the Corn Belt, and certain counties which have now been added to the commercial corn area, in Pennsylvania, Maryland, and Delaware, because of the increased corn production, we find that the corn acreage has been reduced in the last 3 years from 52,000,000 acres to 37,000,000 acres, a reduction of between 14 and 15 million acres. That particular area, prior to 3 years ago, had better than 50 percent of the acreage of corn in the United States, and produced about two-thirds of the entire production of the country. Now we find that outside of the commercial corn area they have approximately 60 percent of the acreage, and the production is close to a 50–50 basis.

I live in a dairy section. Most of the States in the North are engaged extensively in the dairy business, particularly on the small farms, where we try to have an efficient farm unit. We have a certain number of dairy cattle; some poultry, and some hogs, and we try to produce enough feed on those farms to take care of our livestock. We sell little if any corn in the form of field corn. We market our crops through the products of livestock and poultry.

When our area was put into the commercial corn territory, immediately a corn-curtailment program was put into operation. Many farmers who had been in the habit of producing 40 acres of corn on a 100-acre farm were cut down to 25 acres, and some of them even less. It was found that most of those farmers were unable to produce the necessary feed to take care of their livestock. They were

then forced to sell some of their livestock or go out and buy feed in the open market with which to give proper sustenance to their dairy herds.

In my particular section we do not sell any corn as corn. We use the corn in the form of silage, and we feed it to the dairy cattle. At the present time, under the acreage program—and we want to comply as much as we can with the program—most of our farmers are unable to plant enough corn to fill their silos and stay in the A. A. A. program. All my amendment seeks to do is to permit our farmers to plant corn for silage purposes, to be fed on the farm to their dairy cattle, without coming under the control and penalty provisions of the bill. It is true that silage has been exempted from the penalty marketing quota provisions of the bill, but there will be no marketing quotas on corn this year, due to the edict which the Secretary issued on April 3, as the gentleman from Iowa [Mr. GILCHRIST] stated. There will be loans without marketing quotas, and I understand the gentleman from Iowa will offer an amendment to make 75 percent of parity loans on corn, notwithstanding the fact that no quotas have been voted. I am for that amendment.

I believe that in fairness to at least 3,000,000 farmers engaged in the dairy business in the Northern States they should be permitted to raise enough corn to feed their livestock without being compelled to go out in the open market to buy the corn, as is now proposed by the Secretary of Agriculture.

On April 3 Mr. Wickard, the Secretary of Agriculture, issued a statement to the effect that he intended to fix the price of pork at $9, the price of butter at 31 cents, the price of eggs at 21 cents a dozen, and poultry 16 cents a pound, these prices at Chicago. He urged the farmers to produce more of these commodities to take care of the additional demands of consumption in the United States, Great Britain, and other nations resisting aggression. The farmers want to produce this additional supply that is needed in this country, but I say to you that the dairy farmers and those engaged in the production of poultry products should be permitted to produce the feed on their own farms without restriction.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. CARLSON. The gentleman stresses the fact that the farmer should be permitted to feed this silage outside of the quota allotment. How can the gentleman justify that yet support a penalty of 50 percent of parity for any amount of wheat that is fed in excess of the quota?

Mr. AUGUST H. ANDRESEN. The amendment that was just adopted was the first exemption that was adopted and permitted farmers to plant and use more than 15 acres of wheat on a farm. Some of the Members who were here 3 or 4 years ago when we had the original A. A. A. up for consideration know that I offered a similar amendment which was rejected by a very narrow vote, but we had promises from the Secretary of Agriculture at that time that he would adjust the situation so our farmers could produce enough corn for silage to take care of their livestock herds and dairy cattle.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield.

Mr. REED of New York. There is one thing that almost everybody engaged in other lines of farming seem to forget and that is that the dairy farmer is the one man who does not call upon the Government for soil-conservation money. He is the one man who builds up the soil because of the character of the farming he is carrying on.

Mr. AUGUST H. ANDRESEN. And I may add that corn used as silage is eventually the best soil-conserving material we have. I have received letter after letter; I have talked with hundreds of farmers in my own district and elsewhere and received letters from other States where they are engaged in dairy production asking us to pass some legislation so that the people can raise enough corn to fill their silos to feed their livestock instead of forcing them to buy it on the open market.

Mr. O'HARA. Has the gentleman received any letters in opposition to the exemption the gentleman asks in this amendment?

Mr. AUGUST H. ANDRESEN. I have not received a single letter opposing it, but I may say to the gentleman in all fairness that certain individual farmers primarily interested in large commercial production, and in selling their surplus to their fellow farmers are opposed to it, but the average farmer cannot afford to pay 65 cents for it locally or 69 cents in Chicago a bushel when they can get only 31 cents a pound for their butterfat on the Chicago market.

Mr. O'HARA. This would force them to buy feed on the open market.

Mr. AUGUST H. ANDRESEN. As I said, we cannot afford to buy this stored corn that the Secretary tells us is to be sold at 65 cents out of storage and 69 cents in Chicago, with the Government fixing a price of 31 cents a pound for butter in Chicago, which means about 28 cents at home. We cannot afford to go out and buy that corn. We should, therefore, be permitted to produce enough corn without any control to fill our silos.

I hope you will approve this amendment.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is no reason to grant to dairy interests unlimited right to raise silage any more than there is to grant the corn area an unlimited right to raise corn. As I said before, the law of supply and demand will operate, and when these folks who are in the dairy area raise their ensilage they are simply broadening the supply of corn.

Under the amendment the dairy people will get all the credits that the corn farmer gets who raises hogs; he will get loans; he will get parity; he will get conservation payments on that part of his allotted corn area of his farm, and then under this amendment he would be able on the rest of his farm to raise silage. That would disrupt and break the whole program, for that silage can be used for the purpose of feeding calves or cattle; and when you mention cattle you think of hogs, for hogs and cattle go together. It will simply so ruin this program that there will be no control of corn acreage at all. Silage is the thing the dairy farmer wants. The gentleman from Minnesota says they do not raise enough so they must go out and buy feed. That is exactly what they have to do in the hog or cattle country. They have to buy corn for feed, for they cannot raise any great amount of hogs without buying corn; and the same with reference to fattening cattle.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I cannot yield. I have not the time.

The facts are, Mr. Chairman, that the amendment, if agreed to, so far as corn is concerned, wipes out the bill. The bill might just as well be put into the garbage can right now if there be no limitation upon the amount of corn which can be raised by way of silage, in addition to the corn which goes into any quota which may be established by the Secretary.

If you want to have unlimited raising of silage, then let us have unlimited raising of cotton, wheat, and all other commodities. The dairy people have been treated in some respects very well, and, as has been stated heretofore, any bill that comes before the committee having to do with dairying will be looked upon favorably. I have voted for every kind of benefit to the farmer since I have been in Congress except the time they had the bill brought up here about potatoes which was afterward declared unconstitutional. The first thing the Congress did when it returned was to repeal the bill, and the sponsors of the bill were most anxious themselves to repeal it.

Mr. BOLLES. Will the gentleman yield?

Mr. GILCHRIST. I yield to the gentleman from Wisconsin.

Mr. BOLLES. Will the gentleman state how dairying has been treated so well?

Mr. GILCHRIST. Certain dairying interests have been given marketing agreements in various cities. I do not think dairying has been given all that it ought to have had.

[Here the gavel fell.]

Mr. GILCHRIST. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa [Mr. GILCHRIST]?

There was no objection.

Mr. GILCHRIST. Mr. Chairman, I have here a statement made by the Department of Agriculture in February, this year, which states, and I quote as follows:

Milk production continued through January at a record-breaking level for the season. The number of cows has been increas-

ing in nearly all States. The cows are being fed better than in any recent year, and the weather during January continued mild in contrast to the unusually severe conditions during the same month last year. The reported production per cow, which on January 1 was the highest on record for the date, showed slightly more than the usual increase during the month. On February 1 it was still above previous records for that season in all groups of States except the South Atlantic and South Central, and even in those areas it was higher than in other years since the depression. In Illinois, Minnesota, Iowa, and Kansas reports on production per cow were outstandingly high, mostly about 7 percent above previous records. For the country as a whole the February 1 production per cow reported by crop correspondents averaged 13.46 pounds this year, compared with 12.65 pounds last year, and a 1930–39 average of 12.29 pounds.

I could go on and show that under the present marketing agreements the dairy interests have been helped. We want to go ahead with them, but we do not want to destroy the corn program throughout the United States which this amendment will certainly do, because it releases corn everywhere in the United States for the purpose of feeding animals on the farm. The amendment under the present philosophy of the bill ought to be voted down.

We use silage in many way, for fattening cattle, for instance, and especially for feeding calves and in the fattening of calves. This will be in direct opposition to benefits to the farm areas which are themselves cutting down their acreage. They are paying the price. They are making sacrifices. They must make sacrifices in order to comply. But under this amendment there is no price paid by the dairy farmers and no sacrifice whatever. They want to get the same treatment that the corn farmers and the wheat farmers are getting without helping along in the program to prevent surpluses and raise prices. They want to have their cake and eat it, too. This will not be fair to the other farmers in this country.

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. Chairman, somehow I have always wished I could tap some fount of omniscience in dealing with farm questions, knowing how delicate and how controversial they are. I might recite in point the case of the little boy who approached his mother and asked, "What makes the Tower of Pisa lean?" She said, "I do not know, but if I did, I would take some."

I would take some omniscience if I knew where it could be had to solve this problem. It does not require any omniscience to perceive how skillfully this amendment, however, would just raise hell with the Corn Belt, if you will pardon the inelegance of that term. Most everything explains itself if you will just read it carefully. It requires no erudite explanation on my part to fathom this amendment. Let me read the pertinent portion of the amendment offered by the gentleman from Minnesota [Mr. ANDRESEN]:

After June 1, 1941, corn harvested as silage for feed on the farm shall not be included as a part of the corn acreage allotment.

Suppose my name is Joe Doak. I operate a farm of 200 acres. I have a hundred acres of corn allotment, but I seed down 200 acres of corn. I am going to produce 100 acres of silage corn. What am I going to do with it? Why, feed it to dairy cattle, possibly to fatten livestock. But I am also going to harvest in the form of cereal corn the other 100 acres. What am I going to do with the corn from those 100 acres? Feed it or sell it, and so aid in destroying the program for Corn Belt farmers.

Well, out in the Corn Belt we do not get any allowances of that kind. We take the whole program as such, but if you pass this amendment, Joe Doak, with 200 acres, 100 acres of silage corn and 100 acres of ear corn, can do what? Fatten hogs, yes; and ruin the corn program in the Middle West, or sell his corn in the industrial market and aid in reducing the price. Thus the dairy farmer would receive a double benefit, whereas the Midwest hog farmer would be penalized.

I have not always been for the whole program, but I do not believe in any kind of submarining or torpedoing of this program by such a proposal. I think it is necessary right now for the boys from the Farm Belt to stand up and convoy this bill to port without the Andresen amendment, or you are going to be sunk. You might just as well put that down in the book.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I have always recognized the gentleman as a scholar and as a great farmer from Peoria. He referred to a man with 200 acres of land. Does he think that a man residing out in his district with that size farm would put the whole 200 acres into corn?

Mr. DIRKSEN. Is there anything in here to show that he will not?

Mr. AUGUST H. ANDRESEN. No; but does the gentleman think he would?

Mr. DIRKSEN. That is the joker in it. The gentleman confesses the joker. It requires no further argument on my part.

Mr. AUGUST H. ANDRESEN. I gave the gentleman credit for his having a lot of intelligence, but when he says that his intelligence sinks into insignificance.

Mr. DIRKSEN. The gentleman is only trading upon a presumption. May I say to you when you put this in, the corn program in Iowa, in Illinois, and in other States will be partially sunk.

Mr. HOFFMAN. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The gentleman wants to put his corn into whisky, while the gentleman from Minnesota [Mr. ANDRESEN] wants to put his into milk and butterfat.

Mr. DIRKSEN. There is a practice of estimating corn by the gallon.

Mr. BOLLES. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BOLLES. With respect to the 100 acres of corn in Illinois which you are going to plant for silage purposes, the average Illinois farm in the Corn Belt does not have any silo, does it?

Mr. DIRKSEN. We have plenty of silos down there, but I may say to my friend from Wisconsin that what I object to is that out in the dairy centers you are going to use this amendment to raise hell with the corn farmer in the Corn Belt. The chairman of the committee knows that that is true. So I suggest to the Members that they rise up as one man and smite this amendment hip and thigh, because you know what is going to happen to the corn and hog farmer.

Mr. BOLLES. We do not raise any commercial corn in Wisconsin.

Mr. AUGUST H. ANDRESEN. And the gentlemen in the Corn Belt want to raise hell with the dairy farmer.

Mr. DIRKSEN. We have not gone into the dairy business down there, as is so perfectly evident, and as the gentleman knows.

Mr. BOLLES. Mr. Chairman, will the gentleman yield further?

Mr. DIRKSEN. I yield.

Mr. BOLLES. We import 412 carloads of feed from the State of Illinois. I want the gentleman to show me where this amendment will stop that.

Mr. DIRKSEN. Let us vote this amendment down with great gusto. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I dislike very much to disagree with my able friend, the gentleman from Minnesota, on this matter, but I do want to take a few moments to point out something that has not been brought out yet in the course of this debate as far as this amendment is concerned.

It has been very ably pointed out by the gentleman from Iowa and the gentleman from Illinois what the effect of this amendment might be in the Corn Belt, but no one has yet pointed out what the effect of this amendment might be in the Dairy Belt when you get outside of the commercial corn area.

As you all know, we have in this country a commercial corn area and a noncommercial area. Those who are in the commercial corn area and who are in the program operate under a quota and they receive certain benefits that are not received by those outside of that area. They are entitled to parity payments if they come under the program. They are entitled to the benefit of corn loans. Those who are outside of the commercial area are not so restricted in their production, in that they can produce up to their soil-conservation acreage in corn, but on the other hand they do not receive corn loans and hey do not receive parity payments.

If you adopt this amendment you will permit dairymen in the commercial corn area to have their cake and eat it, too, and you will put to a disadvantage every dairyman outside the commercial corn area, because he will still be in the same position in which he has been. He will

not get parity payments, he cannot increase his acreage above what it has been before, and he will not get the benefit of corn loans.

We have gentlemen here from Wisconsin, just across the State line from the gentleman from Minnesota. Most of their counties are not in the commercial corn area. If we adopt this amendment, certainly they will be put to a great disadvantage compared with the farmers in the district of the gentleman from Minnesota, because not only will they retain all of the benefits they have now, but this resolution will take off the restrictions and permit those producers to produce all the silage they want on top of their corn allotment.

Most of the dairy sections of this country are outside of the commercial corn area. If we adopt this amendment, we will undoubtedly increase the production of dairy products. We want to increase it some, but if we do this we are going to take the lid off. We do not know what the effect may be on the price of dairy products. The only thing that will save those prices will be the agreement of the Department of Agriculture putting a certain price per pound on butter fat, and that price is considerably below parity, as we all know. We will not only be increasing the production to a point which I believe may very detrimentally affect prices, but we will be putting every dairyman outside of the commercial corn area at a very distinct disadvantage as compared to the dairymen in the commercial corn area.

I appreciate the problem of the gentleman from Minnesota. This amendment would be a fine thing for his district or for any other district similarly situated, but there are not very many districts of that kind. It is a peculiar problem. I sympathize fully with the problem in those districts, but if you adopt this amendment you may help a little in those districts but you will be doing a great deal of harm to all the other dairy sections of the country.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Does the gentleman agree with Secretary Wickard and the Administration that there is a need for the production of additional dairy products in this country to help England and other countries?

Mr. HOPE. Yes; I stated a moment ago that we should increase our dairy production, but I believe that if we take the lid off entirely, as this amendment would do, we would increase it to a degree much greater than is likely to be necessary. [Applause.]

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last two words.

Mr. FULMER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, the Committee on Agriculture deserves the thanks of the House for bringing this measure to our attention at this time. The Committee on Appropriations reported an agricultural appropriation bill for 1942 and we passed it and it has gone to the other body. That bill is now in conference. The result of that conference will largely depend upon the action of the House on the bill before the Committee this afternoon.

Mr. Chairman, the primary purpose of the bill under consideration is to provide for increased loans on wheat, cotton, tobacco, and corn. In the very nature of the case there can be no increased loans on these or other commodities unless the penalty is increased, and therefore the penalty for violations is properly increased under this bill. The concrete question is whether or not the program is to be conserved by providing the additional loans that will increase the incomes of cotton farmers, of wheat farmers, of corn growers, or whether or not this program is to be jeopardized in the interest of those who are opposed to the program. Whatever may be said about the program of the administration, the Members on the left of the aisle and their party have all advocated parities and they have advocated soil conservation and they have advocated loans. These are the programs we are undertaking to protect in the legislation now under consideration.

I want a reasonable income for all agricultural groups. I believe the gentlemen from dairy sections are pursuing a short-sighted policy in opposing this legislation. I am for the dairy group. Congress has legislated for the dairy group. They have a monopoly of the American market today. They have a protective tariff of 14 cents a pound, and they have the benefit of loans, if they so desire, as I am advised by the Department of Agriculture; and I read the exact language furnished me by the Department of Agriculture with respect to dairy loans on March 4, 1941, the very thing that is provided in the bill under consideration:

> The loan programs on butter have been in effect during the last three marketing seasons. They are handled through the Dairy Products Marketing Association.

Our friends from the dairy sections have marketing agreements, and under those agreements they get from 71 to more than 75 percent of parity. They have the benefit of the American market as a result of a protective tariff. They have the benefit of a recent pegged price for their butter, and they have the benefit of soil conservation.

I come from a cotton district. The gentleman from Minnesota [Mr. ANDRESEN] is from a dairy district. Under the program in 1939 the State of Mississippi received—and I give you the figures from the Agricultural Adjustment Association—soil-conservation payments aggregating $19,844,218, while Minnesota received $21,441,577. So I might go on. Texas received the largest amount in the United States, because they have cotton, wheat, corn, and other products. The largest conservation payments are paid not to a cotton State, but the next to the largest payments are paid to Iowa, which received $40,512,800; Kansas received $23,163,405. So I say to you that we cannot solve the problem in one bill. And, in my judgment, I say to my good friends from the dairy sections, receiving, as they do, under our present program, $12,367,413—having, as they do, under a protective tariff, the best market in all the world, and receiving millions of dollars in the purchase of butter and other agricultural products to provide for the needs of the poor in this country under the surplus commodity program—they should cooperate in the effort to make this program successful and in the effort to increase, as this committee has undertaken to do, the income of the farmer by providing for increased loans; and those loans cannot be increased, in reason or in common sense, unless we provide increased penalties. That is exactly what this bill does. And, Mr. Chairman, it does occur to me that the friends of agriculture, although we may not be able to relieve and treat all interests in this bill, should stand by this bill and vote unanimously for its passage.

This bill provides for increasing the incomes of corn, wheat, tobacco, rice, and cotton growers. Other legislation provides for the increase of incomes of other farmers. The Representatives from the dairying areas are entitled to increased incomes. They cannot expect other agricultural interests to support legislation in their behalf unless they are willing to cooperate and support legislation for the benefit of other groups. I trust that all friends of agriculture and all who are interested in increasing the incomes of all agricultural groups will vote for the passage of the pending bill. [Applause.]

[Here the gavel fell.]

Mr. REES of Kansas. Mr. Chairman, I rise in support of the amendment, and ask unanimous consent to revise and extend my own remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Chairman, let it be understood that I am not here to oppose this legislation, but I do support and am in favor of the amendment offered by the gentleman from Minnesota.

I think we ought to be a little more practical about this matter. I believe there are comparatively few of us who have had practical experience in dealing with this problem. Mr. Chairman, all in the world this amendment does is to provide that corn raised for ensilage for feed on the farm shall not be included as a part of the corn-acreage allotment. I don't think there are very many of the Members here who realize what is meant by ensilage. Ensilage, after all, is green feed. It is not sold commercially. It is not even transported from the farm. It does not compete with corn on the domestic or foreign market, as such.

If you are going to maintain that ensilage should be included in the quota, and I am talking practically now, then

you ought to include alfalfa, clover, soybeans, and dozens of other kinds of green feed, that are used for the same purpose as ensilage.

As I understand the situation, it is intended under this measure to cut down the amount of corn that is sold commercially. It does not compete with corn, as such. You are going pretty far afield when you give it such construction. Furthermore, ensilage is not fed by the dairymen, alone. It is fed by the hundreds of tons, in the Middle West, to calves, steers, and to sheep.

Mr. Chairman, just because some of us want to amend this measure and make it a little more practical and workable, is no reason why we should be charged with weakening it. I, for one do not want to do that. I do think it could be improved. In adopting this amendment, you are not injuring the measure or the program for the average farmer.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. Yes, I shall be glad to yield to the distinguished Member from Nebraska.

Mr. COFFEE of Nebraska. The gentleman has made an excellent argument in behalf of an amendment which the committee has already adopted, and which is in the bill at the present time. Corn planted for ensilage is exempted from the marketing quota. The amendment of the gentleman from Minnesota applies to the acreage allotment.

Mr. REES of Kansas. Certainly, that is only fair, and furthermore it should not be included in the acreage allotment. It should not be included any more than clover, alfalfa, soybeans, kafircorn and many other kinds of feed that are not sold commercially but are used as feed. The practical thing is to leave it out. No real argument, as I view it, has been presented to show why ensilage should be so included.

I can see why some of the big operators who raise corn in huge amounts and market all of their grain commercially will benefit by opposing this amendment, because the more corn taken out of the market, and out of acreage, the more acreage there will be for the big operator. I say again, why not look at this problem in a practical manner.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. Yes; I am glad to yield for a question from my distinguished colleague and ranking minority member of the committee.

Mr. HOPE. The gentleman represents a district a large part of which is in the noncommercial area.

Mr. REES of Kansas. We have in our district commercial and noncommercial areas. The gentleman who is now on his feet comes from a great wheat-producing area. But that does not make a bit of difference. What we want to do today is to do the right thing, the practical thing, and not try to injure the one in order to help the other a little. Why legislate for a certain group because he may be in a commercial or noncommercial-corn area, or noncorn area, as far as that is concerned.

Mr. HOPE. Does not the gentleman think if we adopt this amendment we ought to also amend the law so as to provide that no producer in the noncommercial-corn area shall receive parity payments, so that they will all be on an equal status.

Mr. REES of Kansas. Of course not. The gentleman is entirely beside the question. I cannot think he would want to do that.

Mr. Chairman, I am deeply interested in the farmer who operates the average-sized farm and tries to raise a diversity of crops, and who, if given a chance, would like to utilize at least a part of his crop on the farm. I am interested in the man who operates what may be known as the family-sized farm. After all, he is the one who really needs the most help and encouragement.

Before I close, let me say that I am in favor of the farmer receiving a reasonable price for his products on the basis of the price he is required to pay for the things he buys. He is not getting it. Not by a long shot, and almost everybody knows it.

Mr. FULMER. Mr. Chairman, I want to ask the members of the Committee to vote down this amendment. I realize what it will do to the noncommercial areas. As the gentleman from Kansas [Mr. HOPE] said a few moments ago, outside of the commercial area, the corn acreage is controlled largely by the conservation program. If you permit a farmer in this area to plant his regular corn acreage, and then plant acreage for ensilage, he can go into producing dairy cattle, hogs, and beef cattle if he wants to. I hope, gentlemen, you will vote the amendment down, and let us pass a bill which will do that which the committee intended, when we reported the bill out, give an extra additional amount of money to the farmers of this country.

Mr. BARNES. If we adopt the amendment, it will force the corn-producing areas to go into the dairy business out of necessity.

Mr. FULMER. Absolutely.

Mr. CASE of South Dakota. Mr. Chairman, I have an amendment to the amendment which I have at the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota, to the amendment offered by Mr. AUGUST H. ANDRESEN: Strike out the period and add: "nor shall wheat harvested as hay for feed on the farm be included as a part of the wheat acreage allotment."

Mr. CASE of South Dakota. Mr. Chairman, I think the amendment that I have offered to the amendment clearly indicates what will happen when we start amending the bill in this way. If it is fair to exempt corn harvested for silage, in determining the acreage allotment, then it is fair to exempt wheat harvested as hay in counting the allotment.

Now, you pass on the amendments as they appeal to you.

I want to say a final word with respect to the bill before us. I raised a question in the consideration of the bill which I thought was an important question. That is the retroactive feature of the bill in its increase of penalties on the man who already has his wheat planted. I tried to get members of the committee to agree to an amendment which I thought would remove the inequity, but I have been unable to do so. In spite of that I intend to vote for the bill on final passage. I make this statement because some may have thought from the question I raised that I thought the bill should be defeated. I do not.

The point emphasized by the gentleman from Mississippi [Mr. WHITTINGTON] clearly makes a case for the bill. That is, the increase of loan values. This may be a makeshift as farm measures go, but it does not call for a direct appropriation from the Treasury, and it should help to sustain the price of these farm products in the present era. That is important enough to justify the passage of the bill. I hope you will vote for the bill on final passage, regardless of our success or failure in trying to correct some of the undesirable features in the bill.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. WHITTINGTON. What percentage of the wheat growers are noncooperative?

Mr. CASE of South Dakota. I do not know what it is now. There is a tendency this year to have a smaller percentage of cooperation because of the feeling that prices may skyrocket. Regardless of estimates on supplies, the farmers remember the wartime prices on wheat 22 years ago.

Mr. WHITTINGTON. Is it not about 10 percent?

Mr. CASE of South Dakota. I think it may be more nearly 13, but it is in that neighborhood.

Mr. WHITTINGTON. And should we not try to protect the 90 percent who want to cooperate rather than to protect the 10 percent who want to sabotage the program?

Mr. CASE of South Dakota. Well, I want to keep faith with both groups, so I want to protect that 10 percent as much as I can. They made their choice and planted on the basis of the law as it has been. I do not like to increase the penalty on them after their wheat is in the ground. I recognize, however, there is an attempt to compensate them by making their excess wheat eligible for a loan under loan provisions of this bill so that they can carry their storage until a year comes when they can sell it without a marketing penalty.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman's amendment is not necessary, because you can cut hay or anything you want to, if it is hay.

Mr. CASE of South Dakota. Not necessarily. I have seen some wheat that was intended to be harvested for grain wither in the hot sun, and then it was cut for hay.

Mr. AUGUST H. ANDRESEN. You can do that and get paid for it.

Mr. CASE of South Dakota. Some of the farmers have found difficulty in establishing that, and if it is written into the bill it would be much easier. But I am not arguing for the gentleman's amendment or for my amendment to the amendment. Do with these amendments as they appeal to you. I hope, however, that the loan features of the bill will be sustained.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Dakota [Mr. CASE] to the amendment offered by the gentleman from Minnesota [Mr. ANDRESEN].

The amendment to the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Minnesota [Mr. ANDRESEN].

The question was taken; and on a division (demanded by Mr. AUGUST H. ANDRESEN) there were ayes 32 and noes 89.

So the amendment was rejected.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 2, line 11, strike out the period, insert a semicolon, and the following: "*Provided*, That the penalty established by this act shall not apply to wheat harvested in 1941."

Mr. O'CONNOR. Mr. Chairman, this amendment is to remove from the bill the retroactive feature already discussed by the gentleman from South Dakota [Mr. CASE].

In our section of the country we plant a great deal of fall wheat. Our spring wheat is already planted. This bill penalizes those who have planted their wheat last fall and this spring by compelling them to pay a penalty of 50 percent of the loan value of the wheat. Now, that is not fair to those who have already planted their crops and who want a loan—or to those who do not want loans but desire to keep their wheat and later sell it.

I want to make some general observations with reference to this subject.

Mr. Morgenthau the other day made the statement that all expenses outside of the defense program must be cut down, and the first group he drove at was the American farmer. In other words, we are going to cut down the expense of government, but we are going to take it out of the hide of the only group of people that is not benefiting by reason of the defense program and the only unorganized, unprotected group by either union or monopoly. Every day you pick up your paper you see unprecedented profits made by the big corporations of this country. They are making more money than they did in the balmy days of '29. We are indebted to the gentleman from Missouri [Mr. CANNON] for putting into the RECORD on March 31 a table showing what wheat today would be selling for if the wheat grower received the same price for his wheat as industry and the industrial worker received for his wages. The table shows that he would be receiving $2.02 a bushel instead of somewhere around 85 or 90 cents a bushel.

The American farmer is not getting a square deal. He is not profiting by the defense program. He is out in the open. He must take the other fellow's price for everything that he raises to sell, and he must pay the other fellow's price for everything he is called upon to buy. He has nothing to say about either. Everything he buys has gone up from 50 percent to 150 percent, and yet the price that he receives for what he raises remains at about the figure it has been heretofore, with his taxes mounting constantly. Now, why penalize those people who have already planted their crops by compelling them to pay 50 percent of the loan value for not complying with the quota system?

I ask you to take from this bill its retroactive feature. As a matter of fact, laws that are retroactive should never be passed, for they make the innocent suffer, something we should not do. When those people planted their crops last fall and early this spring they assumed and were justified in the assumption that the fine they would be required to pay for not complying would be 15 cents, not 50 percent.

Mr. Chairman, I am for this bill. It will help some. I say to the chairman and the members of the Committee that I am going to vote for this bill, I am for it. At the same time I should like to see the bill made better and give a square deal to the man who relied upon the law as it was at the time he planted his crops, a square deal just the same as you would want to give anybody else. And speaking about parity, Mr. Chairman, why in God's name should not the farmer get parity instead of 75 percent of parity? Why should we not be as much interested in seeing him get parity as we are in seeing industry and labor get parity? Prices have been fixed on coal and many other commodities. Labor unions have fixed the price of their labor, and rightly so, industry through monopoly fixes their profits and prices; why should not something be done for the farmer to place him somewhere near other groups?

Mr. Chairman, I ask the Members to support this amendment.

Mr. SCRUGHAM. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I strongly endorse the purpose of the amendment offered by the gentleman from Montana. It certainly was not intended to penalize the farmer whose prosperity and livelihood are in large measure dependent on a wheat crop planted perhaps last fall or winter under the conditions mentioned by the gentleman from Montana.

My colleague has made an able presentation of the case for the farmers of his district. This situation applies also to many farmers in Nevada, and I ask your fair consideration and support of this amendment. I do not wish to take any more of the time of the House, but I assure you of my interest. An injustice will be done if the amendment is not adopted.

Mr. DOXEY. Mr. Chairman, I think all will agree we have been liberal in the matter of debate under the 5-minute rule. It is now 12 minutes of 5. I wonder if we could not reach an agreement as to time for further debate of amendments? Can the Chair ascertain how many Members desire to be heard on any further amendments to this bill?

The CHAIRMAN. The Chair counts eight gentlemen standing.

Mr. DOXEY. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to the bill close in 30 minutes.

Mr. JOHNS. Mr. Chairman, reserving the right to object, how many amendments are pending?

The CHAIRMAN. There are six amendments pending at the desk at the present time.

Mr. GILCHRIST. Mr. Chairman, reserving the right to object, I have an amendment to offer, which I believe the committee might agree to.

Mr. DOXEY. That might be, but I think we should limit debate.

The CHAIRMAN. Objection is heard.

Mr. DOXEY. Mr. Chairman, I had hoped time could be fixed by agreement, but that having failed I now move that all debate on this amendment and all amendments to the bill close in 30 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Mississippi.

The motion was agreed to.

Mr. PIERCE. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Oregon rise?

Mr. PIERCE. In opposition to the amendment.

The CHAIRMAN. The gentleman from Oregon is recognized for 5 minutes.

Mr. PIERCE. Mr. Chairman, I want to talk straight to my friend, the gentleman from Montana [Mr. O'CONNOR], and the gentleman from Nevada, with whom I had pleasant associations when I was Governor of Oregon. I want to say to them when they talk about injustice to the noncooperator, in the matter of the 1941 wheat crop, they are talking about a condition this amendment is intended to improve. Owing to the loan feature, the price of wheat has been raised from 56 to 75 percent of parity, an increase of practically 20 cents a bushel to both cooperators and noncooperators.

The gentleman states that the man in Montana who has overplanted would have been penalized 15 cents a bushel and that we have added practically 20 cents a bushel penalty by the provision we have put in this bill. We have taken care of him by raising his loan value. Suppose he had to pay a 41-cent penalty? Considering the other advantageous provision we have made for him, what does it amount to? We have taken care of his loss. Do not disrupt the program by this amendment. You are not doing justice to the whole country. The people in his State are 90 percent cooperators. I cannot blame the Congressman from Montana for trying to get everything possible for his people. I think he can do them full justice without insisting upon changes for a few who got all the advantages of this big program, which has trebled the price of their wheat, although they have not

cooperated. We are not legislating for them, we are trying to legislate for those people who made the agreement and are willing to continue under it. The noncooperator is outside the program, but he can come in and be a cooperator right now and get the advantage. He should have it, and he should go along.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. SCHULTE] for 5 minutes.

Mr. SCHULTE. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Montana [Mr. O'CONNOR].

Mr. Chairman, all of this debate is very interesting to the ordinary layman. We hear a lot about the plight of the farmer, and I have heard this for the last 10 years. We hear all about the condition of the farmers. My good friend the gentleman from Montana [Mr. O'CONNOR] has offered an amendment which seeks to help the wheat farmers of his particular section of the country because of the fact those farmers have planted this wheat early in 1941 and late in 1940. I feel the gentleman is right and justified in his position. Yet the farmers of my particular district are complaining today. Why? Because of Government regulation and the unfairness of Government regulation and the Department of Agriculture. You ask, What am I driving at? Just this, and it comes from an ordinary layman, too.

The farmers out in the Corn Belts all over the country are guaranteed 58 cents on corn. The fellow in the East gets it, the fellow in the West gets it, and the fellow in the North gets it, yet the same Government that is guaranteeing 58 cents to the corn farmer, this same Department of Agriculture bureau, says to the Middle West farmer, "You can have $1.71 a hundred pounds for your milk," and comes right over into Maryland and Virginia and for the same grade, the same type of milk, coming from the same identical kind of cows, it says in this particular section, "You can have $3.30 a hundred." This is the same Government.

The question I ask is, Where is this equality we hear so much about? Where is this protection to the farmer? When and where is he going to get it? We have farm bureaus throughout the United States. We have farmers' protective unions, farmers this, and farmers that, but there is not a one of them that is worth a pinch of salt when the farmer is really in dire distress.

We hear about organization. We hear that the men in the plants are getting the money, that the big industrialists are getting theirs, and so forth. Why? Because of the fact they are organized, because of the fact they have a concrete organization, one that they believe in, and the organization believes in them. Until the farmers organize, until the farmers unite in a program that the farmers want, then and then only is the farmer going to get a square deal on the things he produces.

Miss RANKIN of Montana. Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from Montana [Mr. O'CONNOR]. It seems unfair to write a bill that penalizes the farmer for the wheat he planted in good faith last fall.

It is difficult for us to look into the future, but one thing I believe we all know, and that is that there is going to be great hunger in all the nations as a result of the chaos that exists.

Wheat is a product that can be stored. Therefore, I believe, in the interests of children, the retroactive features of this bill as proposed in this amendment should be stricken out.

This bill does not in any way correct the basic economic situation of the farmer but it does try to alleviate immediately some of the existing difficulties with which he has to contend.

I am also interested in another problem that will come up soon and that is the problem of irrigation.

Montana has become water conscious. Its people realize that if it is to maintain its agriculture and support its increasing population every drop of water that can be conserved in the State must be put to beneficial use principally through irrigation.

During the decade from 1920 to 1930 there was a decrease in the State's population, but in the succeeding 10 years the number of inhabitants increased more than 4 percent. And this increase was in spite of a heavy out-migration of farm and other families from the eastern section and industrial centers.

The counties where irrigation dominates the agriculture showed substantial increases in population while those which are forced to rely on dry farming continued to register losses. Newcomers to the State from the drought-stricken areas to the eastward more than offset the departing throngs who went elsewhere and, doubtless, created problems for the areas to which they fled.

The turn-overs in population due to drought or other conditions are not conducive to the maintenance of a stabilized economy and happy homes in any State. This condition has contributed in no small measure to the heavy relief expenditures the Federal Government has made in the last 7 years in Montana, totaling more than $113,000,000.

Had even half of this amount been expended for construction of irrigation projects in Montana, more than 500,000 acres of land could have been brought into cultivation for the support of 100,000 persons on self-sustaining farms and in towns that are created or expand in the wake of irrigation developments.

In connection with the Federal reclamation program, under which the Bitter Root project in my district has been rehabilitated and the little Frenchtown project constructed, I am especially interested in advancing small projects, which mean so much to established communities. The water conservation and utilization program is especially designed to advance projects of the type I have in mind, and the $3,500,000 appropriation proposed for these projects should be increased to at least $5,000,000.

With a small amount of reimbursable funds appropriated directly from the Treasury, relief labor and Civilian Conservation Corps enrollees can be used to rehabilitate agricultural areas from which people will be forced to move unless succored. The so-called Missoula Valley project near my home city, we believe, can qualify under this program and the work will be a distinct contribution to the stabilization of the community.

The Federal reclamation program as a whole commends itself to the people of Montana and should appeal to the country at large. If the results are to be put on a dollar-and-cents basis, there is one fact that can be cited. In the 38 years since enactment of the reclamation law of 1902, the lands these projects have watered have produced crops valued at more than 2½ billion dollars. This amount, which has been turned into channels of national wealth, is about 10 times the cost of the completed projects in which these lands are located.

When it is considered that the reclamation projects through the 50,000 farm homes established have given security to a million persons on the farms and in the cities and towns in the vicinity, there is concrete evidence of the value of the national reclamation policy.

Mr. SMITH of Ohio. Mr. Chairman, I am voting against this bill which will if it passes make the farm program compulsory for all farmers.

Congress and the bureaucracy which grew out of the A. A. A. program and the administration or its spokesmen have persistently in no uncertain terms assured the farmers they would never make this program compulsory. Now all pretense is thrown to the winds and henceforth all farmers will be compelled to join the program or be penalized for not so doing.

Even the farmers who were not in the program and who planted wheat last fall will be, under this bill, forced to pay as a penalty 30 cents or more per bushel for all wheat they raise over and above the quotas fixed by some bureaucrat here in Washington who probably in his entire life never planted a grain of wheat. Could anything possibly be more unfair than this?

I understand the Agriculture Department intends to exempt corn from the program for this year, but it will be in the hands of that Department to do whatever it pleases.

I do not believe the majority of the farmers of the United States, if they had an opportunity, would vote for this compulsory feature in the farm program. I believe most farmers still feel that they are more capable of managing their own farms than the politicians in Washington.

Ever since I have been in Congress I have been warning the farmers and people of my district of the danger of the farm program ultimately becoming compulsory. Now it is here, if this bill passes. From now on it may be expected the bureaucrats will pull the rope tighter and tighter around the farmers' necks. This bill now tells them how much they can plant. Soon they will be told what they can plant, when they can plant it, and how much they can keep of what they produce.

This is just another long step toward making agricultural slaves out of the American farmers.

Mr. GILCHRIST. Did you ever see a farmer compelled to go into this program?

Mr. SMITH of Ohio. The farmers will be compelled, under this bill, to go into it or they will have to accept a penalty.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. O'CONNOR].

The amendment was rejected.

Mr. BURDICK. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BURDICK: Page 1, line 11, after the word "wheat", strike out the period, add a comma, and insert: "and which is not fed to livestock on the farm."

Page 2, line 15, after the word "silage" strike out the period, add a comma, and insert: "nor wheat fed to livestock on the farm."

Mr. BURDICK. Mr. Chairman, I am going to give you something to operate on. You can go right ahead and do the same as usual, kill this amendment, if you want to, but let me call attention to the fact that there are a great many farmers in Montana and in North Dakota who have quotas of 28 to 30 acres of land. There is no one living that I know of who is smart enough to raise a family on 28 to 30 acres of wheat land in Montana or North Dakota.

These men withdrew last year and went their own way, but under the terms of this resolution they have to come back in there and farm that 28 or 30 acres, and if they do not, they have to pay a penalty if they raise any wheat.

The only thing you are doing in this bill is increasing relief. The average relief charge in my part of the country is $749 per family. If you want to drive a bargain of this kind and not let the farmer have a chance to feed his extra wheat on the farm, you can give him that $749 which you have been giving him for the last 6 years. This is a question of bookkeeping. Give him a chance to help himself or the Government will have to help him, that is all.

All this amendment does is, in case the small farmer has too much acreage to fit his small quota, to permit the farmer to feed his surplus wheat to livestock on the farm and not be penalized; that is all you are voting for. [Applause.]

Mr. Chairman, under authority granted I present herewith a clear statement of the situation now before this House on the pending bill taken from a publication called the Co-optimist:

[From the Co-optimist, a publication of the Farmers Union Grain Terminal Association]

It is far from the usual thing for the Farmers Union Grain Terminal Association to make public the correspondence which it sends out or which reaches it. This, however, is to be the exception that proves the rule. Because it has to do with a trouble that is proving far too general and also because it touches vividly on the injustices too often done the small, low-income farmer by the existing acreage quota system, you are permitted to play kibitzer and look over the shoulder of our general manager, Mr. Thatcher, to whom the letter was addresesd and who answered it.

The letter came from D. W. Chapman, field representative of the F. U. G. T. A., at Peerless, Mont. Mr. Chapman points to the injustice done to the small farmer by the acreage restrictions of the A. A. A. and encloses a letter from a member of the Farmers Union at Peerless, Mont., which sets forth instances of the injustice that is being done. This writer insists that if the penalty for overacreage from 15 cents to 50 cents a bushel is enacted into law, it will be an outright purge of the small farmer in that section of Montana at least. In that region of Daniels County there are 35 farmers. At least 5 of these have 18, 20, 28, and 30 acres allotted to wheat. It is, with reason, insisted that not one of those five can make a living or support a family on such a restricted acreage. One case may be used for an example of what the situation is:

"One of these farmers has a wife and seven children to support and when the A. A. A. first started, he was loyal and signed up. Having farmed with horses he had considerable acreage to feed crops. In two years' time his wheat acreage was down to 28 acres and his allotment check was about $28. Knowing he could not support his family on that acreage the A. A. A. officials advised him to quit the A. A. A. He has not participated since. This year, however, he will either have to participate and farm 28 acres of wheat, or take a 15- or 50-cent penalty if the quota passes." Naturally, most of the farmers in that area are against the quota and will so vote at the coming referendum.

What were Mr. Thatcher's reactions to such a situation? He has made his big fight for the small, low-income farmer, and when he finds any of them getting the short end of the stick, as in this case—he got busy, as this letter of his will show:

"Mr. D. W. CHAPMAN,
"Field Representative, Farmers Union Grain Terminal Association, Peerless, Mont.

"DEAR DON: Your letter of the 13th instant simply conveys the information of a common problem that is gradually growing worse all over the country. You and I know well that a farmer can't make a living on even 70 acres of land as a wheat grower. He is going to have to have something besides that.

"I have done everything I know to do to help these people; I have done everything but commit murder. A letter in the Montana Farmer, or in the Farmers Union News, or in the CONGRESSIONAL RECORD doesn't mean a lot, I am sorry to say. What it takes is about a half dozen Senators who know what it is all about and who will go in before a committee and battle their hearts out to protect these people with insufficient plant to make a living, and then go on the floor of the Senate and fight their lives out for them there. That's where the battle is tough; that's where all the battles are won and lost on these legislative programs.

"In desperation, after I got your letter and some resolutions along the same line, I called Secretary Wickard over long distance and asked him just what is to happen to these people. 'If they have less output than will assure a living subsistence, then what are they going to do?' I said to the Secretary: 'These people haven't livestock, and some of them live in areas where there isn't water enough to attempt to have livestock. But where they have water and no livestock, we ought to arrange to let them feed their wheat to make more hogs, and cattle, and poultry.' He said, 'I think so, too.'

"I am going down to Washington next week, to talk to him about it.

"I hope you believe that I have battled my heart out for this thing. Thanks for writing me.

"Sincerely yours,
"M. W. THATCHER,
"General Manager."

This quota allotment, when used without discrimination, becomes the bed of Procrustes. He was a Greek brigand who took prisoners whom he strapped to a bed. Those who were too long for it had their heads chopped off; those who were too short for it were stretched to fit. It was a stature quota, to make all men equal, but was rather tough on those who could not measure up.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

The question was taken; and on a division (demanded by Mr. BURDICK), there were—ayes 40, noes 56.

So the amendment was rejected.

Mr. GILCHRIST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Mr. GILCHRIST moves to amend the joint resolution by striking therefrom the language found in lines 12, 13, and 14, on page 6 of the resolution, to wit: "for which marketing quotas for the marketing year beginning in the calendar year 1941 are in effect," and inserting in lieu thereof language as follows, to wit: "for which producers have not disapproved marketing quotas for the marketing year beginning in 1941."

Mr. GILCHRIST. Mr. Chairman, I understand the committee will accept the amendment.

Mr. FULMER. I may say to the gentleman that the amendment is perfectly satisfactory.

Mr. GILCHRIST. And the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is kind enough to say he thinks it is a good amendment.

Mr. AUGUST H. ANDRESEN. If the gentleman will yield, I may say that in order to help the commercial farmers of the country I will agree to the amendment. I believe they should have it. We want to help them.

Mr. GILCHRIST. That is all there is to it, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. FULMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULMER: On page 6, line 12, after "wheat" insert "rice".

Mr. FULMER. Mr. Chairman, may I state that a number of the Representatives from the districts where they plant rice, including my good friend, Judge Narls, of Arkansas, came to be about this amendment. At this time rice is selling at a very good price, but they are somewhat uneasy about what the price of rice might be in the future. The only reason rice is not carried in the bill in the first place is that we felt that the price of rice was all right and could be left out. However, putting rice in this joint resolution would not do any harm and would put the rice people in such a position that if the price should go down they would be able to get a loan and

would be placed on an equal basis with cotton and wheat farmers.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. What is the penalty for marketing rice outside of the quota?

Mr. FULMER. It would be 50 percent of the amount that would be loaned on rice.

Mr. WHITTINGTON. No, Mr. Chairman, with all deference that would not be so under the terms of this bill. That may be so under another law. That is the reason I am asking the question, because there is no provision for embracing rice in the penalty provisions of this resolution unless you offer an amendment to include it. My question is, What is the penalty under existing law, independent of this joint resolution?

Mr. FULMER. Maybe some of the Members representing districts where they grow rice could answer the gentleman's question.

Mr. NORRELL. That is under the existing law.

Mr. WHITTINGTON. I know, but what is the penalty?

Mr. NORRELL. I cannot say.

Mr. WHITTINGTON. Then I would say to the gentleman that unless he is very sure there is a penalty of 50 percent the word "rice" should be inserted not only in the loan provision but in the penalty provision of this joint resolution; otherwise, there would be discrimination.

Mr. FULMER. Mr. Chairman, I ask unanimous consent to modify my amendment to that effect.

Mr. WHITTINGTON. Then the words "and rice" would be inserted after the word "cotton" in line 4 on page 6.

The CHAIRMAN. Without objection, the amendment will be modified accordingly.

There was no objection.

Mr. PACE. Mr. Chairman, will the gentleman yield so that I may give the gentleman from Mississippi the information he is seeking?

Mr. FULMER. I yield to the gentleman from Georgia.

Mr. PACE. The present penalty on rice is one-fourth of 1 cent a pound.

Mr. WHITTINGTON. That is certainly very much less than 50 percent. As I understand the amendment, the words "and rice" are now inserted after the word "cotton" in line 4 on page 6.

Mr. FULMER. That is right.

Mr. WHITTINGTON. If the gentleman will yield further, under the penalty provisions of the pending resolution, which are in paragraph (2) on page 2, provision is made for corn and wheat. Then on page 6, in paragraph (9), there is a penalty for cotton. The resolution provides for loans for cotton, corn, wheat, and tobacco. There is no penalty provision in the resolution for tobacco. I understand the penalties on the sales of tobacco under existing law are largely in excess of 50 percent of the loan value, and for that reason they are omitted in this joint resolution.

Mr. FULMER. The gentleman is correct.

Mr. WHITTINGTON. I therefore shall not offer the amendment I have proposed, which is to insert the words "or tobacco" in line 4 on page 6.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

Mr. JOHNS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNS: On page 5, line 20, strike out all of subsection 8 and renumber subsections 9, 10, and 11.

Mr. JOHNS. Mr. Chairman, as I observe this debate this afternoon it seems to me it resolves itself into just one thing. For the last several years the farmers of the United States have had a loop around their necks and the Department of Agriculture has been gradually pulling it up. Instead of 15 percent, we now propose to increase that to 50 percent and that seems to be the only thing I can see in this proposition here this afternoon.

The amendment I have offered here strikes out subsection 8, and I just want to read it to you so you will get the full force and effect of it:

Until the farm marketing excess of corn or wheat, as the case may be, is stored or delivered to the Secretary or the penalty thereon is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer.

All the personal property in this country is free to be dealt in, and the only thing I ever heard of to restrict that is to put a mortgage on it, and if you put a chattel mortgage on it, the mortgage is filed and there is notice to everybody that there is a lien against that property and it cannot be sold without the party accepting the penalty. Under this provision here, there is no protection for any individual. If somebody came along and wanted to sell you a wagon load of corn, it would be necessary for you to find out from the Government whether they had any lien on it or not or else take the man's word who is selling it to you. I think this part, subsection 8 of the resolution, ought to be stricken out. It ought to be left up to the Department of Agriculture to protect itself when they first make this loan to the individual and not take in the whole United States, because otherwise there may be innocent individuals who would be called upon to pay these penalties themselves. Of course, if they knew there was a penalty they could check it, but if they do not know that they take that chance.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield.

Mr. PACE. Of course, under the gentleman's interpretation if the producer could sell it regardless of penalty there would not be any way for the Government to enforce this provision, and this is identical with the provisions with respect to other commodities.

Mr. JOHNS. Why should you penalize the man who buys it? He has not had anything to do with the program at all. Can the gentleman answer that?

Mr. PACE. With respect to all the commodities, it is recognized that there is a lien on a noncooperator for the amount of the tax on the excess production, and I know that in the case of cotton all warehousemen are notified as to any liens, and the discussion in the committee was to the effect that this would not eliminate the need of filing notice of a lien by the Government.

Mr. JOHNS. What about the individual who has nothing to do with this program at all and does not care anything about it and has not cooperated in any way with it? He may want to buy some feed or some corn, and if he has to run around all over the neighborhood or wire the Department of Agriculture or somebody else to find out whether there is a lien against this corn or not, he is being penalized to that extent.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield.

Mr. AUGUST H. ANDRESEN. The farmer who is trying to buy corn, who does not have enough to feed his dairy cattle, can buy it from the Department of Agriculture at 69 cents at Chicago and pay the freight to his farm in Wisconsin.

Mr. JOHNS. He might be able to do that, but he ought to be able to buy it at home and not have somebody out to see him the next day to collect a penalty.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JOHNS. I yield.

Mr. WHITTINGTON. Can the gentleman think of a better way to enforce this provision of the law than the provision which he desires to strike out?

Mr. JOHNS. Yes; I think the Department of Agriculture should file the lien or give notice of the lien to the people in every community who have not joined in this program the same as everyone else who is required to give notice of a lien on personal property.

Mr. WHITTINGTON. Why select corn and wheat and not do the same thing with respect to the other agricultural products?

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. JOHNS].

The amendment was rejected.

Mr. NORRELL. Mr. Chairman, on behalf of the rice growers I rise to express our appreciation and thanks to the distinguished chairman and great Agricultural Committee for adopting my amendment providing loans under certain circumstances to rice growers. I might say with reference to the processes of supply and demand about which so much has been said today, that this is one item in the agricultural bill where those processes have functioned. Today we are getting parity prices and we hope this favorable condition may continue.

The CHAIRMAN. The time of the gentleman from Arkansas has expired. All time has expired. Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair,

Mr. BEAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration House Joint Resolution 149, and, pursuant to House Resolution 187, he reported the joint resolution back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put the amendments en gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and on a division (demanded by Mr. SMITH of Ohio) there were—ayes 123, noes 15.

Mr. SMITH of Ohio. Mr. Speaker, I object to the vote on the ground there is no quorum present.

The SPEAKER. The Chair will count.

Mr. SMITH of Ohio (during the count). Mr. Speaker, I withdraw the point of order of no quorum.

So the joint resolution was agreed to.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk Senate Joint Resolution 60, relating to the corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended, strike out everything after the enacting clause, and insert the provisions of the House Joint Resolution 149 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The SPEAKER. Without objection, the proceedings under which House Joint Resolution 149 was agreed to will be vacated and the joint resolution laid on the table.

There was no objection.

EXTENSION OF REMARKS

Mr. PIERCE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

GENERAL LEAVE TO PRINT

Mr. DOXEY. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill today be permitted to extend their remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent, in revising my remarks today, that I may quote from the Farmers' Union Grain Bulletin on matters pertaining to the bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. GRANGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my own remarks by including a letter from Amos Pinchot.

The SPEAKER. Is there objection?

There was no objection.

Mr. STEFAN. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill discussed today and to include therein certain tables.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GRANT of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PATRICK. Mr. Speaker, on last Thursday unanimous consent was granted and a special order issued granting my colleague the gentleman from Alabama [Mr. BOYKIN] the right to address the House for 1 hour today. It is now 5:20 o'clock. I ask unanimous consent that that permission be carried over until Tuesday of next week.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include a speech by the Right Honorable Winston Churchill on the naval bases of Eire.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PLOESER. Mr. Speaker, I ask unanimous consent to extend my remarks and include two newspaper articles.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a short article from the Indiana Cooperative Milk Producers Federation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my own remarks on the St. Lawrence seaway.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Friday next, after the conclusion of the legislative business and any other special orders, I may be permitted to address the House for 15 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MICHENER. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. TINKHAM] may extend his remarks in the RECORD two times, and on each occasion he may include an editorial.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my remarks by including an address by Col. J. E. Meyer, on Aviation, delivered at St. Petersburg, Fla.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(By unanimous consent, Mr. LANDIS was granted permission to extend his own remarks in the RECORD.)

Mr. DWORSHAK. Mr. Speaker, I ask unanimous consent to extend my remarks and include a short article from the Times-Herald on our naval building.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HEALEY. Mr. Speaker, I ask unanimous consent that the time I had reserved under special order today may be deferred until tomorrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESIGNATION FROM COMMITTEE

The Speaker laid before the House the following resignation:

APRIL 29, 1941.

Hon. SAM RAYBURN,
Speaker of the House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Election of President, Vice President, and Representatives in Congress.

Respectfully,

A. J. ELLIOTT.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

SPECIAL ORDER

The SPEAKER. Under previous order of the House the gentleman from Wisconsin [Mr. KEEFE] is recognized for 30 minutes.

Mr. KEEFE. Mr. Speaker, in view of the lateness of the hour and the fact that those who have preceded me with special orders have seen fit to defer those matters, I ask unanimous consent that the special order accorded me this afternoon may be continued over until a later date when I may make a unanimous-consent request.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. VINSON of Georgia, for 1 week, on account of important business.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Friday next, after the conclusion of the legislative pro-

the defense establishments are being located and where the vast number of Army contracts are being let to private firms, located in the cities and towns along the coast and borders of the United States; and

Whereas the present program of national defense, through the failure of the responsible authorities to locate defense establishments within such States is responsible, in the main, for the great loss of population being suffered by said States; and

Whereas such States have ample resources of coal, oil, lead, zinc, lumber, cotton, natural gas, butane gas, and helium gas, reasonably cheap lands, and still to date a surplus of efficient and competent labor, ample electrical energy with some sections producing a surplus, with ample water and with a climate suitable for the operation of many important and necessary forms of defense establishments; and

Whereas it is absolutely necessary to secure the location of sufficient national-defense establishments to provide employment to the surplus labor remaining in said States; and

Whereas unless such establishments are located within said States a substantial and irreparable injury will be done to such States: Therefore be it

Resolved, That the Committee to Investigate the National Defense Program be authorized and requested to make a special investigation into the program:

First, of the location and maintenance of defense establishments necessary for the production of needed military supplies.

Second, an investigation into the program of awarding contracts to private firms for the production of needed and necessary war supplies and equipment.

Third, the advantages and disadvantages of the present program of awarding contracts to concerns located in coastal and border cities and within the 200-mile danger zone.

Fourth, the advantages and disadvantages of the location of new defense establishments at or near cities and towns located along the coast and borders of the United States and within the said 200-mile danger zone.

Fifth, the advantages and disadvantages of the location of necessary defense establishments within the said States mentioned and as follows: Wyoming, North Dakota, South Dakota, Nebraska, Kansas, Missouri, and Oklahoma; be it further

Resolved, That the said Committee to Investigate the National Defense Program be requested to make a special report to the Senate, at the earliest practicable date, upon the subject-matters herein specially mentioned.

BROADCASTING REGULATIONS OF FEDERAL COMMUNICATIONS COMMISSION

[Mr. GURNEY asked and obtained leave to have printed in the RECORD an editorial from the Washington Evening Star of May 5, 1941, and also an article by David Lawrence appearing in the same newspaper, both relative to the new broadcasting regulations issued by the Federal Communications Commission, which appear in the Appendix.]

ADDRESS BY WHEELER McMILLEN BEFORE SEVENTH ANNUAL CHEMURGIC CONFERENCE

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an address delivered by Wheeler McMillen, president of the National Farm Chemurgic Council, before the Seventh Annual Chemurgic Conference held at Chicago, Ill., March 26, 1941, which appears in the Appendix.]

ARTICLE BY JAY G. HAYDEN ON DRAFT INCONGRUITIES

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an article by Jay G. Hayden, published in the Providence Journal of May 5, 1941, entitled "Draft Incongruities Give Federal Officials Jitters," which appears in the Appendix.]

ARTICLE BY STUART CHASE ON THE TRIUMPH OF MIND OVER MATTER

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an article by Stuart Chase entitled "The Triumph of Mind Over Matter," published in The Progressive, of May 3, 1941, which appears in the Appendix.]

CORN AND WHEAT MARKETING QUOTAS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 60) relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

Mr. BANKHEAD. Mr. President, the joint resolution which has just been laid before the Senate was passed by the Senate and sent to the House of Representatives. While there the House struck out all after the enacting clause and substituted practically the same provisions as originally contained in the joint resolution, but added what is commonly known and understood as the 75 percent of parity loan plan.

I desire to submit some remarks on the subject. Then I will ask the Senate to decline to agree to the amendment of the House and request a conference with the House on the amendment.

This measure, of course, involves the problem of agricultural income generally recognized by the term "parity income."

Mr. HILL. Mr. President, will the Senator yield for a call for a quorum?

Mr. BANKHEAD. Yes.

Mr. HILL. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Norris
Aiken	George	Nye
Andrews	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Glass	Pepper
Ball	Green	Radcliffe
Bankhead	Gurney	Reynolds
Barkley	Hatch	Russell
Bilbo	Hayden	Schwartz
Bone	Herring	Shipstead
Brooks	Hill	Smathers
Brown	Holman	Smith
Bulow	Hughes	Spencer
Bunker	Johnson, Calif.	Stewart
Burton	Kilgore	Taft
Butler	La Follette	Thomas, Idaho
Byrd	Langer	Thomas, Okla.
Byrnes	Lee	Truman
Capper	Lodge	Tunnell
Caraway	Lucas	Tydings
Chandler	McCarran	Vandenberg
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McNary	Wallgren
Connally	Maloney	White
Danaher	Mead	Wiley
Davis	Murdock	Willis
Downey	Murray	

Mr. HILL. I announce that the Senator from Mississippi [Mr. HARRISON], the Senator from Tennessee [Mr. MCKELLAR], and the Senator from New York [Mr. WAGNER] are absent from the Senbecause of illness.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Colorado [Mr. JOHNSON], the Senator from Massachusetts [Mr. WALSH], and the Senator from Montana [Mr. WHEELER] are unavoidably detained.

The Senator from Utah [Mr. THOMAS] is addressing the National Association of University Extension Directors in Oklahoma City, and is, therefore, necessarily absent.

Mr. AUSTIN. I announce that the Senator from New Jersey [Mr. BARBOUR] is unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

Mr. BANKHEAD. Mr. President, the subject of parity income for farmers is one of paramount importance at this time. As a result of the expenditure of billions of dollars by the Federal Government in its national preparedness program, prices of industrial commodities are getting higher. The pay of industrial workers is increasing, and those increases are reflected in the cost of industrial commodities which the farmers must buy. The foreign markets for some of the basic agricultural commodities, particularly cotton and wheat, have completely disappeared. Six or seven million bales of cotton which have normally been exported each year are now eliminated from world trade. Millions of bushels of wheat which in normal times were sold to foreign markets annually are now held in elevators under Government loans. Excessive surpluses of corn are also in the ever-normal granaries.

The reduction in consumption of these basic commodities has resulted in the reduction of the acreage planted and therefore of the volume sold by the farmers. For example, in the 6 years ending with 1932 the acreage planted to cotton in the United States averaged 40,174,000 acres. For the 6 years ending with 1939, cotton acreage averaged 27,635,000, a reduction of 31 percent. The acreage in 1939 was 40 percent below the 1932 acreage.

By a conservative estimate, 80 percent of the Nation's farmers grow one or more of the basic crops. The producers of the basic commodities are the farmers who make most of the sacrifices that are required by the soil-conservation and marketing programs practiced for the past 5 or 6 years.

The object of the pending bill is to take another step toward securing parity prices for producers of the basic agricultural commodities. What do we mean when we talk about parity price and parity income? Broadly speaking we mean fair prices for farm products and fair income for farmers. We use the 1909–14 period as a yardstick to measure parity price and income. So far as economists have been able to determine, this was a period when farm prices and income were balanced with the prices of the things farmers generally buy. Farm commodities flowed freely to the cities, and manufactured goods flowed freely to the farms. The products of agricultural labor and of industrial labor were on a fair basis of exchange. It was a stable and prosperous period, and agriculture was on a plane of economic equality with labor and industry.

After the first World War, farm prices fell, but other prices did not. The prices of manufactured goods, the wages of labor, taxes, debts, and other things, stayed up. The farmers have been trying to get back on an even footing with other groups since then, and their real friends have been trying to help them.

From the standpoint of farm prices and farm income, there is no question about the need for parity payments. In the calendar year 1939, for example, the farmers' income was $1,600,000,000 below parity. For 1940 the farmers' income was $1,800,000,000 below parity. The figures show that the farmers are getting further away from parity as industrial prices increase.

Parity price, generally speaking, is that price for farm commodities which has the same purchasing power in terms of things farmers buy as these commodities had in the 5 years before the first World War. In other words, a parity price for wheat, corn, cotton, eggs, and other farm products is a price that will make these products buy as much today as they would have bought before the first World War, and pay as much on debts, taxes, and other fixed charges.

After the World War, unorganized farmers faced an organized world. Industry organized to protect itself through tariffs, and in some instances through monopolies. Labor organized to increase wages and decrease working hours. The ex-service men of the World War organized, and brought about the payment of bonuses and other benefits, including adequate hospitalization.

Our capitalistic economy depends for its very existence upon balance—balance between the various groups of our population. If, through tariffs and other Federal legislation, the Government favors industry and labor at the expense of the farmer, the Government must eventually help the farmer, too. Otherwise, we set up a series of disturbances that can be just as disastrous in their effects as interferences with circulation in the human body. If we clog the channels of trade through favoritism to some groups, we tend to cripple the country; we cause arthritis of the economic system.

I do not think there is the slightest doubt that the tariffs cost farmers money, or that other legislation which increases the cost of distribution, transportation, and labor takes money out of the farmers' pockets. If the Government takes money out of the farmers' pockets through legislation, it is only fair that the Government should put that money back.

During the years 1935–39, inclusive, the cash income of the nonfarm population averaged $625 per person, as compared with an average of only $408 in the parity period before the first World War. The income of people not on farms, even if we include the unemployed, has been averaging 50 percent higher than it did in the pre-war period. The rate of increase in farm income has been very much lower. The Bureau of Agricultural Economics has submitted a table showing the total national income, the nonfarm income, the farm income, and the farm income as percentage of the total, each year since 1909. At no time since 1919 has the percentage of farm income of the national income equaled the percentage during the pre-war period. Since 1919 there has been a steady decline in agriculture's share of the national income. The percentage has decreased from 19.2, in 1919, to 5.9, in 1940. I submit the table to be inserted in my speech at this point. A statement including Government payrolls is also submitted as a part of the table.

After including Government payments the percentage of the national income in 1940 received by farmers was only 6.9 percent.

The VICE PRESIDENT. Is there objection to the request of the Senator from Alabama?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

National income, United States, 1909–41

Year	Total	Nonfarm	Farm	Farm as percentage of total
	Million dollars	*Million dollars*	*Million dollars*	*Percent*
1909	26,415	22,670	4,345	16.4
1910	28,114	23,474	4,640	16.5
1911	28,480	24,251	4,229	14.8
1912	30,394	25,798	4,596	15.1
1913	32,133	27,560	4,573	14.2
1914	31,919	27,367	4,552	14.3
1915	33,210	28,404	4,806	14.5
1916	39,036	33,198	5,838	15.0
1917	47,385	38,482	8,903	18.8
1918	55,357	44,856	10,501	19.0
1919	60,354	48,756	11,598	19.2
1920	64,552	56,478	8,074	12.5
1921	54,210	49,883	4,327	8.0
1922	57,546	52,109	5,437	9.1
1923	66,171	59,620	6,551	9.4
1924	68,824	61,898	6,926	10.9
1925	73,278	65,852	7,426	10.1
1926	75,564	68,695	6,869	9.1
1927	76,457	69,618	6,839	8.9
1928	78,117	71,209	6,908	8.8
1929	80,372	73,542	6,830	8.5
1930	73,571	68,456	5,115	7.0
1931	62,384	59,303	3,081	4.9
1932	48,355	46,551	1,804	3.7
1933	45,771	43,174	2,597	5.7
1934	52,540	49,164	3,376	6.4
1935	57,007	52,770	4,237	7.4
1936	66,722	61,599	5,123	7.7
1937	70,753	65,282	5,471	7.7
1938	64,687	60,236	4,451	6.9
1939 [1]	68,127	63,821	4,306	6.3
1940 [2]	71,829	67,611	4,218	5.9
INCLUDING GOVERNMENT PAYMENTS				
1933	45,933	43,174	2,759	6.0
1934	53,096	49,164	3,932	7.4
1935	57,590	52,770	4,820	8.4
1936	67,009	61,599	5,410	8.1
1937	71,120	65,282	5,838	8.2
1938	65,169	60,236	4,933	7.6
1939 [1]	68,934	63,821	5,113	7.4
1940 [2]	72,595	67,611	4,984	6.9

[1] Revision of preliminary estimate given in table on p. 650 of 1941 agricultural appropriation hearings.
[2] Preliminary.
Source: Bureau of Agricultural Economics.

Mr. BANKHEAD. For the year 1939 the average annual cash income per capita of farmers for the east central division was $119. The figures are made on a basis of four and one-half members per family. On that basis the entire family's average annual cash income would be $535.50. The States comprising the east central division are Delaware, Maryland, Virginia, West Virginia, North Carolina, Kentucky, and Tennessee.

For the same years the average annual cash income per capita for the southern division was $160. Translated into families the average annual cash income was $720. The States comprising this division are South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas.

The other divisions show higher incomes. The average annual cash income per capita for the entire United States in 1939 was $266. Translated into families, composed of men, women, and children, the average was $1,197.

The Bureau of Agricultural Economics has compiled estimates on the cash and total net rates per hour of farm work of commercial family farms for 1939. Some of the figures are as follows:

	Cents per hour
Cotton farmers in Southeast	10.1
Cotton farmers in Texas Black Waxey Belt	11.9
Cash-grain farmers in Corn Belt	33.7
Spring-wheat farmers in the Great Plains	32.8

As of July 1940, the average length of workday for the hired farm worker was 10.4 hours. The average day wage rate without board was $1.62. Average weekly earnings for farmers in the southern division in 1939 was $13.85, and in the east central division $10.30. These figures demonstrate the absurdly low earnings of the farmers as compared with other workers.

For further comparison of farmers' earnings let us examine W. P. A. earnings, all the money for which is provided by the taxpayers. The average hour wage rate is 45 cents; the average day rate is $2.25; the average weekly rate is $14.63; and the average monthly pay is $58.50. The average annual rate for W. P. A. workers is $702.

Let us take a look at the earnings of other workers. The Secretary of Agriculture in 1940 submitted to the House Appropriations Committee a statement showing the average weekly earnings of certain industrial workers compared with the estimated parity earnings if these workers received wages comparable to farm prices. I quote some of the figures:

	Weekly earnings	Estimated parity earnings
Plumbers	$57.84	$37.24
Electricians	57.60	33.52
Carpenters	54.22	32.87
Bricklayers	63.82	43.36
Factory workers	24.34	17.14

On an annual basis the figures would be:

	Weekly earnings	Estimated parity earnings
Plumbers	$3,007.68	$1,936.48
Electricians	2,995.20	1,743.04
Carpenters	2,819.44	1,709.24
Bricklayers	3,318.64	2,254.72
Factory workers	1,265.68	$91.28

To show how rapidly the price changes are injuriously affecting the farmers, I submit a statement prepared by the Bureau of Agricultural Economics showing the weekly earnings of the same workers to whom I have just referred, as of June

1, 1940, if wages had kept pace with those received in agriculture:

	1940 weekly earnings	Weekly earnings at farm ratio
Plumbers	$58.10	$24.74
Electricians	58.04	22.28
Carpenters	55.15	21.86
Bricklayers	64.85	28.82
Factory workers	25.77	11.40

On an annual basis the figures would be:

	1940 weekly earnings	Weekly earnings at farm ratio
Plumbers	$3,021.20	$1,386.48
Electricians	3,018.08	1,158.56
Carpenters	2,867.80	1,136.72
Bricklayers	3,372.20	1,498.64
Factory workers	1,340.04	592.80

The following average annual payments are made by the Government to retired employees who are not now engaged in any work for the Government:

Army officers	$3,228.00
Naval officers	3,046.00
Postal employees:	
City letter carriers	1,107.00
Rural letter carriers—male	1,046.00
Rural letter carriers—female	946.00
Post office clerks—male	1,093.00
Post office clerks—female	1,001.00
Retired railroad workers receive average annual payments of	788.40

It may be helpful to know the parity position of some important farm products as of January 1941.

The lowest paid employees on the retired list, drawing their compensation from the Government—the very lowest—receive more than does the farmer, who works 10 hours a day all the days during the year, often assisted by grown sons and other members of his family.

I offer for the RECORD at this point a table showing the parity positions of important farm products.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Parity positions of important farm products, January 1941

Product	Price, January 1941	Parity price	Percentage market price is of parity
Wheat, cents per bushel	73.0	113.2	64
Corn, cents per bushel	56.0	82.2	68
Rice, cents per bushel	87.9	104.1	84
Cotton, cents per pound	9.45	15.87	60
Butterfat, cents per pound	31.1	35.6	87
Chickens, cents per pound	13.7	14.6	94
Eggs, cents per dozen	19.7	29.9	66
Hogs, dollars per hundredweight	7.26	9.24	79
Beef cattle, dollars per hundredweight	8.09	6.67	121
Lambs, dollars per hundredweight	8.34	7.51	111
Wool, cents per pound	31.3	23.4	134
Tobacco, cents per pound	13.9		
Flue-cured, types 11-14, cents per pound	11.6	22.4	52
Fire-cured, types 21-24, cents per pound	9.7	10.5	92
Burley, type 31, cents per pound	15.5	21.8	71
Air-cured, dark, types 35-37, cents per pound	7.9	8.6	92

Parity positions of important farm products, January 1941—Continued

Product	Price, January 1941	Parity price	Percentage market price is of parity
Tobacco—Continued.			
Cigar, leaf, types 41-45, cents per pound	8.0	10.9	73
Cigar, binder, types 51-55, cents per pound	14.1	15.8	92

Mr. BANKHEAD. Mr. President, I call attention to only a few of them:

Price of wheat per bushel, January 1941, 73 cents. Parity price, 113.2 cents. Percentage market price is of parity, 64 percent.

Price of corn per bushel, January 1941, 56 cents. Parity price, 82.2 cents. Percentage market price is of parity, 68 percent.

Price of cotton, January 1941, 9.45 cents per pound. Parity price, 15.87 cents. Percentage market price is of parity, 60 percent.

Price of eggs per dozen, January 1941, 19.7 cents. Parity price, 29.9 cents. Percentage market price is of parity, 66 percent. Of course, there has been some change since January.

Hogs per hundredweight, actual price, $7.26. Parity price, $9.24. Market price is 79 percent of parity.

I will not go through the entire list. Senators may find it in the RECORD, if they are interested in it.

Mr. President, some persons object to the increase in the price of cotton and wheat on the ground that it will increase the price of the products of these commodities. I submit a table showing farm prices and retail prices, coupled with a statement of the middlemen's percentage. I ask to have the table included in the RECORD at this point as part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Farm price	Retail price	Middlemen's percentage
Wheat and white bread (pound)	$0.012	$0.079	85
Cotton in men's overalls	.15	1.00	85
Cotton in men's work pants	.09	1.00	91
Cotton in girls' school dresses	.02	.59	96

Mr. BANKHEAD. I call attention to the items listed in the foregoing table which are typical. For the wheat in a pound loaf of bread the farmer receives 1.2 cents. The retail price of the pound loaf of bread is 7.9 cents. The middleman's percentage on the loaf of bread is 85 percent.

In the case of cotton in men's overalls, on the basis of a dollar retail sale of cotton in such overalls, the farm price for the cotton is 15 cents. The middleman's percentage is 85 percent.

In the case of cotton in men's work pants, on the basis of a dollar sale, the farmer receives 9 cents for the cotton in the work pants. The middleman receives 91 percent.

Cotton in a girl's school dress, retail price 59 cents. The farmer receives 2 cents for the cotton contained in such a dress. The middleman receives 96 percent.

Thus it will be seen that the price paid to the farmers for the raw material constitutes a very negligible part of the prices paid to the retailers by the consumers. If prices for industrial commodities were adjusted to 1941 farm prices of cotton, there would be an outstanding reduction in the price of such industrial commodities.

I cite a few cases, the actual prices being taken from the 1940 Sears, Roebuck catalog. Work shirts, price 73 cents. Adjusted price, 43 cents. Corn planter (2-row check), price $65.95. Adjusted price, $23.75.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. BANKHEAD. I yield.

Mr. NORRIS. I think the Senator would add to the value of the statistics he is presenting if he would make a fuller explanation. The Senator spoke of a corn planter. What does the Senator mean by a corn planter? The Senator spoke of the adjusted price. What does the Senator mean by that?

Mr. BANKHEAD. By the adjusted price I mean the price which would obtain if, instead of trying to increase farm prices, commodity prices were reduced to the level at which they previously were in comparison with farm prices.

Mr. NORRIS. That is just what I wanted to have the Senator bring out.

Mr. BANKHEAD. Farm prices are that much out of line by reason both of the reduction in farm prices and of the large increase in industrial commodity prices. So if we go back to the days of parity, to the days of fair exchange between the labor of the farmer and the labor of those who produce industrial commodities, we find a tremendous difference; and if the adjustments could be made, the corn planter referred to could now be bought for $23.75 instead of $65.95, the price shown in the Sears, Roebuck catalog of 1940. I thank the Senator from Nebraska for his suggestion.

I ask that the table of prices taken from the Sears, Roebuck catalog for 1940 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Price	Adjusted price
Work shirts	$0.73	$0.43
Corn planter (2-row check)	65.95	23.75
Spike-tooth harrow (2-section)	19.75	7.65
Common nails (6d., 100 pounds)	3.00	1.60

Mr. BANKHEAD. The same disparity of prices is in effect for wheat if current prices are adjusted to 1941 farm price of wheat.

Mr. President, I ask to have printed in the RECORD a table which shows the retail price to farmers during the base period 1910–14 of selected industrial

commodities purchased by farmers, as compared with the actual retail price to farmers as of December 15, 1940.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 9-B.—*Parity prices of selected industrial commodities purchased by farmers, Dec. 15, 1940*

Commodity	Unit	Base retail price to farmers, 1910–14	Parity price Dec. 15, 1940 [1]	Actual retail price to farmers Dec. 15, 1940	Actual as percentage of parity
		Dollars	*Dollars*	*Dollars*	*Percent*
Mower, 5-foot	Each	47.76	48.24	97.14	201
Binder, 7-foot	Each	138.00	139.00	259.00	186
Paint, ready-mixed	Gallon	1.94	1.96	2.85	145
Lumber, rough	Thousand board feet	24.94	25.19	46.20	183
Kitchen chairs	Each	.81	.82	1.56	190
Horse blanket	Each	2.47	2.49	3.50	141
Men's work shoes	Pair	2.20	2.22	2.59	117
Barbed wire	80-rod spool	2.74	2.77	3.54	128
		Cents	*Cents*	*Cents*	
Newspapers	Copy	1–2	----------	3	150–300
Newspaper advertising	Agate line	5.5	5.5	11.5	201

[1] Computed by multiplying base price by index of prices received by farmers, 101 on Dec. 15, 1940 (August 1909–July 1914=100). The term "parity price" has not been officially used in connection with industrial commodities. They are shown here to indicate what prices of industrial commodities would have been on Dec. 15, 1940, if the relationships with prices received by farmers in 1910–14 had been carried through to the present.

Bureau of Agricultural Economics. Based on data from Agricultural Marketing Service.

Mr. BANKHEAD. The base price of a 5-foot mower in the parity period 1910 to 1914 was $47.76. The parity price is $48.24. The parity price and the actual retail price are substantially the same. The actual retail price to farmers on December 15, 1940, last December, for the same mower which was sold to the farmers during the base period for $47.76, was $97.14. Percentage, actual price as compared with parity, is 201 percent.

Take a 7-foot binder. The price in the base prewar period was $138. The actual retail price of the binder on December 15, 1940, was $259. Percentage, actual price compared with parity, 186 percent.

Paint, ready mixed, per gallon. The price during the parity-base period was $1.94 a gallon. December 15, 1940, the price was $2.85. Actual percentage of parity, 145 percent.

Thus the list goes. I will mention rough lumber, per thousand board feet. Price during the base period $24.94. That is what the farmer had to pay for his rough lumber. Last December, 1940, he had to pay $46.20. The actual price, 183 percent of parity. Kitchen chairs, each, base retail price to farmers, 1910–14, 81 cents. Price now $1.56. Actual price 190 percent of parity. Thus the list goes.

Mr. President, I submit for the RECORD a list of actual items which are in constant and daily use by practically all our farm population, to show the disadvantage which they now suffer in price relationship; how greatly the fruit of a days' labor of a farmer is now out of line with a day's labor of an industrial worker and others of the nonfarm population, including salaried persons.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 9-A.—*Table giving for 1940, for selected foods and for the total of 58 foods, the average retail price for the United States, the average farm price of the raw commodity, and the percentage of the retail price going to middlemen*

	Farm price	Retail price	Middlemen's percentage
White flour (pound)	1.7 cents	4.3 cents	60
White bread (pound).	1.2 cents	7.9 cents	85
Pork products (pound).	10.3 cents	18.8 cents	45
Dairy products (100 pound milk equivalent).	$1.47	$3.30	55
Eggs (dozen)	19.1 cents	33.2 cents	42
Rice (pound)	2.3 cents	7.9 cents	71
Canned peaches (No. 2½ can).	1.9 cents	16.9 cents	89
Canned corn (No. 2 can).	1.4 cents	10.5 cents	87
Prunes (pound)	3 cents	9.7 cents	69
58 foods, total	$132	$314	58
Cotton goods:			
Men's overalls	15 cents	$1	85
Men's work pants.	9 cents	$1	91
Men's work shirts.	5 cents	69 cents	93
Men's dress shirts.	6 cents	$1	94
Women's house dresses.	7 cents	$1	93
Women's nightgowns.	5 cents	69 cents	93
Women's stockings.	1 cent	25 cents	95
Girl's school dresses	2 cents	59 cents	96
Boys' overalls	9 cents	79 cents	89
Boys' knickers	8 cents	$1.19	93
Sheets	9 cents	79 cents	79
Pillowcases	4 cents	23 cents	82
Towels	2 cents	17 cents	88
Denims	5 cents	19 cents	73

Mr. BANKHEAD. Suppose farm prices had kept pace with the increases in returns for nonfarm commodities and services? The following table shows what farmers would be receiving as compared with what they are actually receiving:

Prices which farmers would have received for specified commodities on Oct. 15, 1940, if farm prices had kept pace with nonfarm commodities and services

Commodity	Unit	Prices received, Oct. 15 1940	Prices at industrial ratio
Cotton, per pound	Cents	9.35	27.58
Wheat, per bushel	Cents	68.2	196
Corn, per bushel	Cents	59.4	142
Oats, per bushel	Cents	28.3	88.9
Rice, per bushel	Cents	63.0	180
Potatoes, per bushel	Cents	52.0	151
Peanuts, per pound	Cents	3.26	1.06
Butterfat, per pound	Cents	28.8	58.8
Eggs, per dozen	Cents	23.7	59.5
Hogs, per 100 pounds	Dollars	5.83	16.03
Hay, per ton	Dollars	5.99	26.39
Horses each	Dollars	96.10	305.90

The comparative prices presented disclose the great disadvantage to which the farmers are subjected.

There is no prospect for an increase in the price of wheat and cotton. There is on hand at this time the largest surplus of each of these commodities in the known history of the world. There is enough wheat on hand in Canada to supply the requirements of Canada and England for 2 years if no new crop should be produced this year. There are no storage facilities there to take care of this year's crop. Nearly all the cotton warehouses are filled with accumulated cotton. The export markets for both cotton and wheat are absolutely closed. Without help from the Government, the price of cotton and the price of wheat would doubtless go lower than they did in 1932. That would happen in the face of rising prices for everything that the farmers are obliged to buy. Thus, the industrial areas would be highly prosperous and the agricultural areas would be plunged into destituton and bankruptcy.

It seems strange that the nonfarm population does not take more active interest in the effort of the friends of the farmers in Congress to increase the purchasing and debt-paying power of nearly one-fourth of our population. If parity prices for basic commodities were increased to parity levels, the income of the farmers would be increased about one-third. Increasing the income of the producers of basic farm commodities by 33⅓ percent would be of more value to the business prosperity of the town and city people than would be the increase in rural population by the same percentage, with present prices prevailing. An increase in the income of the farmers puts practically the entire amount of the increase into circulation not only for paying debts but also for the purchase of property needed by the family and on the farm. One certain way to overcome the loss in foreign markets is to increase in an equivalent way the purchasing power of our home consumers. This reminds me of an old church song:

If you cannot cross the ocean and the foreign lands explore,
You can find the heathen nearer, you can find him at your door.

By increasing the prices of farm products, this song could well be paraphrased as follows:

If you cannot cross the ocean and the foreign trade explore,
You can find the buyers nearer, you can find them at your door.

A study of industrial shipments to agricultural States after 1933—the year farmers' income started upward after the depression—covering carlot shipments on more than 125 railroads operating in the North and East, from 16 Northern and Eastern States to the principal agricultural areas in the Southeast, Southwest, and Northwest, shows an increase in the first year after June 30, 1933, of 38.7 percent, and the second year thereafter an increase of 60.1 percent. A majority of the increases in shipments resulted from additional purchases by farmers of agricultural equipment and other agricultural supplies. There was, in fact, an increase of 165.2 percent in these commodities. Give the farmers sufficient money and they will keep the wheels of industry turning.

Some sincere persons have expressed an anxiety about the effect on consumption of cotton that increased prices might cause. Fortunately, the official records on that subject are available and they show conclusively that increased prices for cotton do not result in a reduction in consumption. The official figures establish that the contrary is true. When trade conditions are good and people have purchasing power, the consumption of cotton always increases and the resultant rise in prices of raw cotton which always follows increased consumption has not resulted in the reduction in consumption.

I submit an official table showing the foreign, domestic, and total consumption of American cotton each year from 1914–15 to 1940–41, inclusive. This table also shows the high, low, and average prices of middling spots per pound at New York. The record as shown by the figures contained in the table should be conclusive to any fair-minded person that there is no danger of reducing the volume of consumption of cotton as a result of the increase in prices of lint cotton which may follow from the passage of pending legislation on the subject. I ask unanimous consent that the table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Crop year	Mill consumption, in thousands of bales			Season's prices, Middling Spots, New York, in cents per pound		
	Domestic	Foreign	Total	High	Low	Average
1914–15	5,375	7,874	13,249	11.00	7.25	9.10
1915–16	6,081	6,958	13,039	13.45	9.20	11.98
1916–17	6,471	6,091	12,562	27.65	13.35	19.28
1917–18	6,382	4,489	10,871	36.00	21.20	29.68
1918–19	5,590	4,319	9,909	38.20	25.00	31.00
1919–20	6,003	5,895	11,898	43.75	23.85	38.29
1920–21	4,677	5,591	10,268	40.00	10.85	17.89
1921–22	5,613	6,596	12,209	23.75	12.80	18.92
1922–23	6,322	6,124	12,449	31.30	20.35	26.30
1923–24	5,353	5,564	10,917	37.65	23.50	31.11
1924–25	5,917	7,394	13,311	31.50	22.15	24.74
1925–26	6,176	7,834	14,010	24.75	17.85	20.53
1926–27	6,880	8,868	15,748	19.20	12.15	15.15
1927–28	6,535	9,041	15,576	23.90	17.00	20.42
1928–29	6,778	8,448	15,226	21.65	17.65	19.73
1929–30	5,803	7,218	13,021	19.55	12.45	16.60
1930–31	5,084	5,972	11,056	13.15	8.25	10.38
1931–32	4,744	7,784	12,528	8.15	5.00	6.34
1932–33	6,004	8,381	14,385	11.75	5.70	7.37
1933–34	5,553	8,227	13,780	13.35	8.65	11.09
1934–35	5,241	5,965	11,206	13.95	10.65	12.44
1935–36	6,221	6,282	12,503	13.65	10.65	11.75
1936–37	7,768	5,325	13,093	15.25	11.18	12.93
1937–38	5,616	5,179	10,795	11.35	7.71	8.75
1938–39	6,736	4,513	11,249	10.02	7.88	9.00
1939–40	7,616	5,234	12,850	11.66	8.82	10.40
1940–41	[1]9,250	[1]2,000	[1]11,250	11.61	9.68	[2]10.41

[1] Estimated
Average, August through March.

Source: Division of Program Development and Coordination Bureau of Agricultural Economics and New York Cotton Exchange.

Mr. BANKHEAD. The following table shows parity prices, and loan prices at 85 and 75 percent of parity, respectively:

	Parity	85 percent parity	75 percent parity
Cotton, cents per pound	15.87	13.49	11.90
Corn, cents per bushel	82.2	69.87	61.65
Wheat, cents per bushel	113.2	96.22	84.90
Tobacco:			
Flue-cured, cents per pound	22.4	19.00	16.8
Fire and dark-air cured, cents per pound	9.9	8.41	7.42
Burley cents per pound	21.8	18.53	16.35

The loan rate on the 1940 crops was as follows:

	Cents
Cotton (pound)	8.9
Corn (bushel)	61
Wheat (bushel)	65
Tobacco:	
Flue-cured (pound)	15
Fire and dark air-cured (pound)	7.4
Burley (pound)	16.3

It is estimated that the soil-conservation payments for this year on the principal commodities will be as follows:

	Cents
Cotton (pound)	1.37
Corn (bushel)	.9
Wheat (bushel)	.8
Tobacco:	
Flue-cured (pound)	.8
Fire-cured (pound)	1.50
Dark air-cured (pound)	.1
Burley (pound)	.8

An 85-percent loan with soil-conservation payments added would provide the following incomes:

	Cents
Cotton (pound)	14.86
Corn (bushel)	78.87
Wheat (bushel)	104.22
Tobacco:	
Flue-cured (pound)	19.8
Fire-cured (pound)	9.91
Dark air-cured (pound)	9.41
Burley (pound)	19.33

The total supplies of the five basic crops at the beginning of the 1940–41 marketing season and the estimated domestic consumption and exports are as follows:

Cotton (American) bales	25,500,000	10,000,000
Corn bushels	3,150,000,000	2,350,000,000
Wheat do	1,101,000,000	705,000,000
Rice hundredweight	28,900,000	23,500,000
Tobacco:		
Flue-cured pounds	2,052,700,000	698,000,000
Burley do	1,065,600,000	348,000,000
Fire-cured do	234,400,000	89,000,000
Dark air-cured do	96,900,000	35,000,000

Some persons object to any increase in the price of farm commodities on the ground that such increase must be borne by the consumers. It is a significant fact, and a distressing one to the friends of farmers, that this consumer argument is always raised by certain urban groups in opposition to increased farm prices, even when they are below parity prices. The same objectors approve an increase in the wages of industrial labor, although such increase is necessarily reflected in the cost of goods purchased by consumers. Recently the Guffey Bituminous Coal Act was extended for 2 years. Under that act, coal prices are fixed and the cost of coal to consumers is thereby increased. Many of those who object to an increase in the prices of farmers' products actively supported the continuance of the coal price-fixing program. The Fair Labor Standards Act, commonly referred to as the wage-and-hour law, was pending before Congress for many months. The evident and declared intention of that act was to raise the price of labor throughout the country. It naturally had the effect of raising the price of practically everything the farmer buys. We heard of no outcry of opposition on behalf of the consumers at that time. When the right of labor to organize and to be represented by agents of their own choice was pending before Congress, and when other rights were guaranteed to workers in the matter of securing higher wages and better working conditions, it was a known fact that such legislation would result in an increase in the cost of industrial commodities and that such increased cost must be borne by the consumers. There was no outcry against the passage of such laws on the alleged ground that the interest of the consumers would be injuriously affected. The people interested in the bills mentioned were organized. They were in position to protect themselves, and they did so. The farmers, consisting of nearly 25 percent of the population of our country, are unorganized and scattered from ocean to ocean. They have no way to make their wishes heard except through a few farm organizations representing a small percentage of the total farm population. They must rely for protection and help upon their Senators and Representatives in Congress.

The claim that a fair income for the farmers is against the best interest of the consumers is not true in fact, and is not justified by the attitude of the great

masses of industrial labor. Representative CLARENCE CANNON of Missouri, one of the ablest and best friends the farmers have in Congress, made the following statement in a recent speech in the House:

Labor above all others believes that the man who earns his bread by the sweat of his brow is entitled to a fair and honest remuneration, and no one can make me believe that labor wants to mooch its food from the half-paid farmer when it is being well paid itself. Labor justly contends it is entitled to advance wages because there has been a great advance in the profits of industry and labor is entitled to its share of the profits. I have supported that principle on this floor at every opportunity, and I know labor will agree with us that when labor's wages are raised to a fair income, the farmer who feeds him is likewise entitled to a fair price for his products.

The Census Bureau figures prove the disadvantage to which the country people have been subjected by the upward trend of industrial prices and the downward trend of agricultural prices. The result has been a steady drift of country people away from the farms and to the urban centers. In 1930, farm population was 24.8 percent of the entire population of the United States. In 1940 the percentage was reduced to 23.1 percent. About two and one-fourth million country people were forced by low farm prices and small incomes to leave the farms and seek more profitable employment and more desirable environments. The great migration from the farms is continuing in bewildering numbers. It is due to a condition of poverty on farms in many sections of America.

The workers of this country have, by statute, a minimum number of hours of labor and a minimum income for their work. Organized labor has secured, through its contracts and largely through Federal protection of its bargaining power, a floor under its income. Why should not the same privilege be extended to the great mass of farm people who work many long hours and produce the absolute necessities for our city population? The farmers now have the lowest income of any large group of workers in this country. Their situation has been too long neglected. In the matter of income they should now be placed in a position comparable with that of other workers in this country.

The mandatory-loan plan now pending before the Senate, if enacted into law, will place a just and fair floor under the income of nearly one-fourth of our population. At present this large percentage of our people is receiving only 6.9 percent of the national income after including all Government payments received. Farmers have shown a willingness on many tested occasions to make sacrifices in the matter of reduction in the planted acreage of certain cash crops, and thereby a reduction in the number of units to be sold, in order to bring the business of agriculture soundly under the trade law of supply and demand. The great industrial groups of this country, like the Steel Corporation and General Motors, reduce production whenever it becomes necessary to meet declining purchasing power for their products. They adjust supply to fit demand. The producers of the basic crops involved in this legislation are entirely willing and anxious to follow the same sound trade law. The Government can amply protect itself from substantial losses under the proposed loans. The surpluses are now in the Government's hands. There is no market for these surpluses. If the future crops are adjusted to meet current demands, there will be no difficulty in obtaining from the consumers, without injury to them, the loan prices for the commodities involved.

There never has been a better opportunity for the Government to increase the income of the producers of the basic agricultural commodities without substantial loss to the Government. There never has been a better opportunity to apply the trade law of supply and demand to seminonperishable agricultural commodities.

Mr. President, I now move that the Senate disagree to the amendment of the House to Senate Joint Resolution 60, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BANKHEAD, Mr. SMITH, Mr. THOMAS of Oklahoma, Mr. McNARY, and Mr. AIKEN conferees on the part of the Senate.

Mr. CAPPER. Mr. President, I listened with great interest to the fine statement made by the Senator from Alabama [Mr. BANKHEAD]. I heartily approve his stand in support of the farmer; and he has given what seems to me to be conclusive evidence that the farmer is not receiving fair prices for his products.

Mr. President, I ask unanimous consent to have placed in the CONGRESSIONAL RECORD at this point a letter received by me from M. W. Thatcher, chairman of the Farmers' Union Legislative Committee, and a press release from the Farmers' Union Grain Terminal Association.

There being no objection, the letter and release were ordered to be printed in the RECORD, as follows:

FARMERS' EDUCATIONAL AND COOPERATIVE UNION OF AMERICA,
St. Paul, Minn., April 29, 1941.

Hon. ARTHUR CAPPER,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR: I am enclosing copy of a release that goes to many country papers, which I wish you would read. It tells a tragic story and the day has arrived for correction.

There are spots and areas where a wheat farmer, or a tobacco farmer, or a cotton farmer can only produce the one commodity, and therefore he and his family live or not out of that situation. Acreage has been cut to these people, particularly wheat and cotton, until many can't make a living out of the limited production.

As long as there were no quotas and penalties, they operated outside of the A. A. A. program and somehow got along, but where quotas and penalties are imposed they are in the position that they can't stand the penalty on the one hand and can't live out of the limited production on the other. This means that these families must go off of the farm or be taken care of by Farm Security Administration in a rehabilitation program, and in such a case, of course, the rehabilitation program would mean that they would be obliged to go into livestock, or dairy, or poultry, or what have you, because the A. A. A. program would have already precluded a successful operation of that family's business in either wheat, cotton, or tobacco.

Now, we are not critical of the Secretary of Agriculture and the A. A. A. in this situation. It is the impact of war that drives the Federal Government to the quota system.

While these unfortunate farmers have been driven into small production, other farmers with means have been able to expand their holdings. The long-time end result of such a process would be to build an overlordship in our agriculture, a system of feudalism, with big landowners expanding a tenant system or operating seasonally with agricultural labor.

The purpose of this letter is to again warn you about this matter, which has come to your attention before. But the thousands of farmers, situated in the position I have tried to indicate, need the militant attention of our friendly Senators from the agricultural States.

Hasn't the time arrived to quit paying benefit payments to big operators, who are admittedly on a profitable basis and paying income taxes? Hasn't the time arrived to use the philosophy of the income tax and make provision that in the distribution of Federal subsidies for agriculture that the payments ought to go to those in need and not to those who don't need it? Should we not begin to provide such measures as would tend to limit the expansion in acres on the part of the large farmers and encourage increased production permits to the small operators? If we do not do this, those who are squeezed out at the bottom will fall on relief, and society in the end will therefore be obliged to pay the bill.

I hope you will take the time to read the enclosed release and this letter and let me have your views. The time has arrived when the farm groups and the Congress have got to take a brand new look at this farm problem.

Sincerely yours,

M. W. THATCHER,
Chairman, National Farmers Union Legislative Committee; President, National Federation of Grain Cooperatives.

THE COOPTIMIST OF THE F. U. G. T. A.

It is far from the usual thing for the Farmers Union Grain Terminal Association to make public the correspondence which it sends out or which reaches it. This, however, is to be the exception that proves the rule. Because it has to do with a trouble that is proving far too general, and also because it touches vividly on the injustices too often done the small, low-income farmer by the existing acreage quota system, you are permitted to play kibitzer and look over the shoulder of our general manager, Mr. Thatcher, to whom the letter was addressed and who answered it.

The letter came from D. W. Chapman, field representative of the F. U. G. T. A. at Peerless, Mont. Mr. Chapman points to the injustice done to the small farmer by the acreage restrictions of the A. A. A. and encloses a letter from a member of the Farmers Union at Peerless, Mont., which sets forth instances of the injustice that is being done. This writer insists that, if the penalty for overacreage from 15 cents to 50 cents a bushel is enacted into law, it will be an outright purge of the small farmer in that section of Montana, at least. In that region of Daniels County there are 35 farmers. At least 5 of these have 18, 20, 28, and 30 acres allotted to wheat. It is, with reason, insisted that not 1 of those 5 can make a living or support a family on such a restricted acreage. One case may be used for an example of what the situation is:

"One of these farmers has a wife and seven children to support and when the A. A. A.

first started, he was loyal and signed up. Having farmed with horses, he had considerable acreage to feed crops. In 2 years time his wheat acreage was down to 28 acres and his allotment check was about $28. Knowing he could not support his family on that acreage, the A. A. A. officials advised him to quit the A. A. A. He has not participated since. This year, however, he will either have to participate and farm 28 acres of wheat, or take a 15- or 50-cent penalty if the quota passes." Naturally, most of the farmers in that area are against the quota and will so vote at the coming referendum.

What were Mr. Thatcher's reactions to such a situation? He has made his big fight for the small, low-income farmer, and when he finds any of them getting the short end of the stick, as in this case, he got busy, as this letter of his will show:

"Mr. D. W. CHAPMAN,
"Field Representative, Farmers' Union Grain Terminal Association,
"Peerless, Mont.

"DEAR DON: Your letter of the 13th instant simply conveys the information of a common problem that is gradually growing worse all over the country. You and I know well that a farmer can't make a living on even 70 acres of land as a wheat grower. He is going to have to have something besides that.

"I have done everything I know to do to help these people; I have done everything but commit murder. A letter in the Montana Farmer, or in the Farmers Union News, or in the CONGRESSIONAL RECORD doesn't mean a lot, I am sorry to say. What it takes is about a half dozen Senators who know what it is all about and who will go in before a committee and battle their hearts out to protect these people with insufficient plant to make a living, and then go on the floor of the Senate and fight their lives out for them there. That's where the battle is tough; that's where all the battles are won and lost on these legislative programs.

"In desperation, after I got your letter and some resolutions along the same line, I called Secretary Wickard over long distance and asked him just what is to happen to these people. 'If they have less output than will assure a living subsistence, then what are they going to do?' I said to the Secretary. 'There people haven't livestock and some of them live in areas where there isn't water enough to attempt to have livestock. But where they have water and no livestock we ought to arrange to let them feed their wheat to make more hogs and cattle and poultry.' He said, 'I think so, too.'

"I am going down to Washington next week to talk to him about it.

"I hope you believe that I have battled my heart out for this thing. Thanks for writing me.

"Sincerely yours,
"M. W. THATCHER,
"General Manager."

Mr. CAPPER. This letter and the press release together sum up a situation that has arisen under the provisions of the A. A. A. of 1938 which it seems to me calls for legislative consideration and action.

Stating it in a few words, the acreage-reduction program under the A. A. A. has reached the point where the small farmer with a relatively small wheat acreage has not been able to participate in the A. A. A. program. He has been compelled to stay out, refuse to take the $20 or $30 a year benefit payments, and do the best he can by planting wheat acreage in excess of his allotment. But if and when the marketing quotas are invoked on wheat, thousands of operators of family sized farms are threatened with being squeezed out of business. They cannot make a living on their allotted acreages. If they produce in excess of their allotments, they face a penalty of from 40 to 50 cents a bushel on excess production, whether it is marketed or is fed to poultry or livestock on their own farms.

I have supported the A. A. A. program, which has many good features, all things considered. It was the only farm program we had, as a matter of fact, and it has saved the situation for thousands of farmers in the Wheat and Cotton and Corn Belts; but it has undoubtedly worked to better advantage for the larger operators than it has for those on what are called family sized farms.

The war, cutting off further exports of wheat and threatening the United States with an unprecedented and unsalable surplus under present conditions, has made it necessary for the Secretary of Agriculture to call for a wheat referendum on May 31. If the marketing quotas are not voted in this referendum, wheat growers are threatened with the withdrawal of commodity loans on wheat and a violent and destructive drop in market prices for wheat. If they are voted, then the small farmers face ruin.

I call upon the Department of Agriculture experts to offer a solution of the problem as it affects the operators of family sized farms in the Wheat Belt. If they have none, then I hope the Senate Committee on Agriculture will meet the situation with some amendments to the farm program which will protect the small farmers.

I believe Mr. Thatcher's letter and the accompanying release, which I have sent to the desk to be printed, give a fair picture of the problem which I am convinced should be solved at an early date.

AMERICA AND THE WORLD CONFLICT

Mr. PEPPER. Mr. President, a week ago today I stood at the Hermitage and gazed upon the tomb of Andrew Jackson. I walked over the spacious grounds where that brave man and his good wife had walked. I saw the slippers which had carried his restless feet. I saw the garment which had been wrapped around him in the last days of his life, and I saw the bed upon which he breathed his last. I could not come within the inspiring atmosphere of the life and the tomb of Andrew Jackson in this moment of crisis facing the country which he loved and for which he so often and so valorously offered his life without gaining some impression as to what Andrew Jackson would say to his beloved country in this sad hour.

If there was anything distinctive about the character of Andrew Jackson it was the quality of positiveness and certainty that grew out of an unequivocal conviction. If there was anything he scorned, it was evasion and indirectness. If there was anything that marked Andrew Jackson the man, it was the manliness of all that he did. Therefore when this Nation is the last citadel of democracy standing in the world, and when the chief assault is not now in the Balkans, or even at the Dardanelles, or Gibraltar, or Suez, but upon the ramparts of American public opinion, it is well that we consider what America shall think and do in this troubled time.

I hope the Senate will not misunderstand me if I advert to the fact that about 10 months ago, on the sad day when the Republic of France fell, I ventured to make some comment in the Senate and to propose what I thought might be regarded as a constructive program containing seven points, which were:

First. Confer upon the President full wartime power to prepare and defend America;

Second. Universal defense service, so that every citizen may be best trained and placed for the country's defense;

Third. Confer upon the President power to suspend all rules, regulations, and statutes, including Army, Navy, and departmental seniority regulations, which, in his judgment, interfered with the maximum of the production, transportation, or manufacture of defense materials;

Fourth. Confer upon the President power to suspend the present debt limitation if in his judgment such limitation interferes with the maximum speed of the defense program;

Fifth. Grant the President the authority to aid in material or credit those countries and nations which, in his judgment, at this time constitute America's first line of defense;

Sixth. The President and the Congress to begin immediately the preparation and the adoption of a defense budget and a tax program adequate for the national defense; and

Seventh. Confer upon the President the power to take into custody for the duration of the defense effort all aliens whose freedom would, in his opinion, jeopardize the defense program.

Concluding those seven points was the reservation: These powers to last for the duration of the emergency only.

Mr. President, in the 10 months which have elapsed since those utterances were made here in this body the world has been made over. Those sinister forces which some thought had come to their culmination in that period 10 months ago have now grown even stronger, and they threaten even a larger area than that which was within the scope and compass of their thought then. Where their strategy at that time was Europe-wide, it has now become the grandest strategy ever conceived in the imagination of mortal man; it is as wide as the circumference of the globe itself; it touches every crucial point upon the face of the earth.

We know, of course, that now the Balkans lie supinely beneath the tyrant's heel; we know also that his army stands poised to strike at the Dardanelles, to take Gibraltar, and perhaps the Suez, almost at will, or within a relatively short time, and maybe possibly after a brief struggle. His power stretches even beyond that, for there is enough to convince any observer that there has been a solemn compact between Japan and Germany, and that, for the first time, the occidental and the oriental conquerors have covenanted to meet in India and bring into cohesion their old world-wide conquest.

A few days ago another significant event occurred.

The Foreign Minister of the Japanese Empire came on a bargaining tour, pledging his troth to the highest and best bidder. Consequently, the Japanese renewed their ties of affection and fidelity not only to the Axis Powers, which they joined largely to coerce and threaten the United States of America, but they have added now into their orbit another force that for a time poised, we thought, upon a course of opposition to the Axis. I refer to the Russia of Stalin.

I have had a feeling since the beginning of this controversy that, since national policy is determined by national interest, there would come a time when Russia would move definitely into the orbit of the powers opposing the Axis. I think there has been great shortsightedness on the part, first, of Britain, and, then on the part of the United States of America in dealing with Russia. I think, if we had given greater assurance of strength to those ranks opposing the Axis, Russia would have been, perhaps, in a position to put up a little stronger front on their own part.

I venture to believe that an alternative was put to Russia when this war began: "Will you take a part of the loot of Poland or will you fight?" They very naturally said, "We will take a part of the loot and not fight." And when France was crushed an alternative proposal was again put to them: "Will you take a part of the loot of the Balkans or will you fight?" Again, seeing that England was hard pressed to survive and incapable of giving any aid, seeing that the policy of this country was still uncertain and equivocal, seeing that there was no ally in the Balkans of sufficient power to give them appreciable strength, again they said, not being entirely wedded to democracy, anyhow, "We will take part of the loot and still not fight." I think probably that the alternative is again being put to them: "Will you share the occupancy of the Dardanelles? Will you take part of the Near East? Will you carve up the Old World with us and take a share? Or will you fight?" And again without strength on the horizon apparently great enough to give them assurance of being able to stand out, they took the easy course, the way of least resistance, and said, "We will take the loot and still not fight."

How they salve their conscience, how they appease their judgment against the fateful day when they will have to answer to this Hitler who now breaks off little chunks of the earth and drops them into their supine lap, is a matter of their strategy and destiny, and not of ours. But now we have seen not just the Axis—Germany, Italy, and Japan—but we have seen beyond any question of a doubt that Russia has so much moved into the sphere of that constellation that she has even repudiated the sentiments of friendliness toward the opposing cause that she previously uttered.

We find the culmination of the whole scheme in the recent utterances of the Japanese foreign office, as given by one of their authoritative newspapers, as to what their aims are for a peace with the world. They say, of course, that our own defenses must be weakened; that we must reduce Hawaii to a naval base of relative impotence. They say that we and Britain must reduce the strength of our naval forces until they do not exceed those of the Axis. They say that the Monroe Doctrine shall be abrogated and that North America shall no longer claim the power to influence the destiny and the conduct of South America. Of course, they contemplate that Britain shall retreat from the east and from the Mediterranean and from the other points of advantage which the British hold upon the face of the globe. In other words, they lay down the ultimatum, "Retreat. Retreat. Retreat to your own shrinking sphere, or we will level at you the dastardly methods with which we have so gloriously succeeded in the months and the years past; and eventually you, too, shall crumble beneath this mighty effort."

And then we see Herr Hitler making a report to his Reichstag, which he calls, with sardonic hypocrisy, an elected body; and so he tells them that "the Reich shall live for a thousand years. There is no coalition possible upon the face of the earth that can stand against us." So does it appear, looking over the horizon that confronts the Fuehrer as he sits today, perhaps, upon his Olympian heights. As he stands where the brave Leonidas's men died and gloats over Thermopylae, which he has been able to conquer more gloriously than any tyrant of the past. It may be he will yet have the effrontery to stand on the Acropolis and try to claim for himself the glory of ancient Greece with the power of modern Germany. So this cruel pagan looks out upon the face of the earth and threatens all that comes within his sphere.

The question presents itself, Mr. President, to us, How much longer shall we wait to take the initiative away from the dictators? How many more miles shall we retreat? What other hiding places shall we seek? What new timidity shall clothe our efforts? What further uncertainty and doubt shall characterize our national policy?

Mr. President, how many sheep does a sheep-killing dog have to kill before he is branded as a sheep-killing dog? How many more nations besides the 15 he has already destroyed does Herr Hitler have to take to become the sheep-killing dog of the earth, to be destroyed like that dog which has castigated himself as unfit to live?

The question naturally presents itself to us, When shall we see enough to rouse us from our lethargy, and to make America for once take an affirmative and a positive course that will at last take the initiative away from these braggarts of the tyrannical world?

If modern war has proved anything, it has proved that the advantage lies with the party which takes and presses the initiative; yet in no case have we ventured to assume the initiative. We prefer to sit back here and make our materials, to let the whirl of our factories be indicative of our national effort, and then, fearing to venture upon the high seas against an assassin's weapon, let them go to a useless grave and destination. We prefer to see the world points of advantage seized, from which aggressors can leap at our throat, to wait until they are already there before we attempt to dislodge them or even to become concerned about their presence and the threat they make there.

So, Mr. President, I want to make, if I may, today a few more affirmative proposals.

In the first place, I believe the time has come for action on the home front. I first suggest a declaration by the President and the approval by the Congress of a state of national emergency. If we do not face a national emergency today, when have we ever done so in our history? What Senator, what citizen, denies, down in the secret recesses of his heart, that his country faces one of the greatest emergencies of all its history? Who is there in this Congress who is not troubled in his consciousness by what lies ahead? And yet, somehow or other, we have not invoked—we will not invoke—the organized power of our Nation in the most efficient and effective form.

Mr. President, I will say now to those who might accuse me that I speak not of the usurpation of power or prerogative by the President. I speak of a partnership in cooperation between the people's President and the people's Congress. I propose that we share with him both the initiative and the responsibility for the program that is desirable—yea, imperative—for the Nation. Let it be understood, then, that I am not trying, in a time when democracy is so sorely pressed, to destroy or emasculate the power of the people's Congress. I suggest only that the Congress step up boldly and bravely to the front line of responsibility, and, taking her President by the hand, say, "Let us march forward in the democratic way to the preservation of democratic freedom."

In a state of emergency it is obvious, of course, what advantage would result to the Government, what response would come magically from the people to such a course. Then there would be no more of these little dilly-dallyings such as occurred in the coal strike a bit ago. I was told by an authentic source that a good part of the argument in connection with efforts to settle that strike was as to whether the meeting should be held in Washington or in New York. What a commentary it is that at a time when the destiny of the race trembles upon the brink of disaster, responsible employees and responsible employers are stopping and slowing down the wheels of a nation's effort because they dare to quibble about whether they will meet in Washington or in New York. It is a disgrace to the democratic concept that men of responsibility dare so to jeopardize, for personal advantage, a people's security. In a state of emergency I venture to say that no group of employees or employers would dare so to trespass upon the indulgent patience of their fellow citizens.

Mr. President, I advocate the full mobilization of the material, mental, and spiritual forces of the Nation. I believe even now we are only partially aroused. It is not possible to sense the tempo of the national effort without the disturbing

77TH CONGRESS, 1st Session | HOUSE OF REPRESENTATIVES | REPORT No. 530

LIBRARY BUREAU OF AGRICULTURAL ECONOMICS U.S. DEPARTMENT OF AGRICULTURE

CORN AND WHEAT MARKETING QUOTAS

MAY 12, 1941.—Ordered to be printed

Mr. FULMER, from the committee of conference submitted the following

CONFERENCE REPORT

[To accompany S. J. Res. 60.]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 60) relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with amendments as follows:

(1) On page 1 of the House engrossed amendment, in line 12 of the language proposed to be inserted by such amendment, strike out "which is not harvested as silage".

(2) On page 1 of such amendment, in lines 14 and 15 of such language, strike out "which is not harvested as silage and".

(3) On page 2 of such amendment, in lines 7 and 8, strike out ", but shall not include corn harvested as silage".

(4) On page 5 of such amendment, at the end of paragraph "(7)", strike out the following: "For the purpose of this paragraph and section 323 (b) of the Act, acreage of corn harvested as silage shall not be considered acreage planted to corn, or acreage of corn harvested."

(5) On page 6 of such amendment, in line 3 of subparagraph "(a)" of paragraph "(10)", strike out "75 per centum" and in lieu thereof insert *85 per centum*.

(6) On page 7 of such amendment, in lines 8 and 9, strike out "(except as provided in paragraph (7))".

(7) On page 4 of such amendment, in line 8, insert (*b*) *and* after "326".

And the House agree to the same.

H. P. Fulmer,
Wall Doxey,
J. W. Flannagan, Jr.,
Clifford R. Hope,
J. Rowland Kinzer,
Managers on the part of the House.

E. D. Smith,
J. H. Bankhead,
C. L. McNary,
Elmer Thomas,
George D. Aiken,
Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 60) relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

(1) The Senate joint resolution provided for an optional referendum on corn and wheat marketing quotas which would permit a referendum establishing quotas for 1 year, 2 years, or no quotas. The House amendment follows the existing law which provides for a referendum for 1-year quotas or no quotas. The conference agreement adopts the House provision.

(2) In determining quotas for corn under the House amendment, acreage planted to corn but harvested as silage is not included for quota purposes. There is no comparable provision in the Senate resolution, thus following existing law in which such acreage is included. The conference agreement omits the House provision relating to the exclusion of silage acreage.

(3) Under the Senate resolution the penalty for marketing the commodity in excess of the allowable marketing, was 30 cents per bushel on corn and 50 cents per bushel on wheat. The House amendment made the penalty rate on both commodities 50 percent of the basic loan rate to cooperators for the commodity. The conference agreement adopts the House provision. The House amendment also makes the marketing penalty on cotton and rice produced this year or thereafter 50 percent of the basic loan rate to cooperators for the commodity. There is no comparable provision in the Senate resolution. The conference agreement adopts the House provision.

(4) The House amendment contains a provision, not in the Senate resolution, under which there is to be no marketing quota for 1941 for nonallotment farms if the harvested wheat acreage is not in excess of the usual wheat acreage determined for 1941 under the agricultural program and the county committee determines that there will not be marketed an excess over the 1941 farm-marketing quota. The conference agreement adopts the House provision.

(5) The House amendment contains a provision not found in the Senate resolution establishing loan rates on the 1941 crop of cotton, corn, wheat, rice, or tobacco, if marketing quotas are in effect for them for 1941. The basic rate to cooperators is 75 percent of parity. The rate to cooperators outside the commercial corn-producing area in the case of corn is 75 percent of the basic. The rate to noncooperators (except outside the commercial corn-producing area, in the case of corn) is 60 percent of the basic rate, but only on the amount which would be subject to penalty if marketed.

The conference agreement makes the basic rate 85 percent of parity.

(6) The conference agreement also includes a provision making

section 326 (b) of the Agricultural Adjustment Act of 1938 applicable to wheat. Under that subsection, which now applies to corn, the storage amount of a year when quotas are in effect may be marketed in any succeeding year when quotas are in effect to an amount equal to the excess of the farm marketing quota for such succeeding year over the production for such year.

H. P. Fulmer,
Wall Doxey,
J. W. Flannagan, Jr.,
Clifford R. Hope,
J. Roland Kinzer,
Managers on the part of the House.

○

ers' Retirement Act, have not contributed to the teachers' retirement fund, and are not, therefore, entitled to retirement benefits. There are likewise other former employees of the District, as well as the Federal Government, who resigned prior to the establishment of a retirement system for such employees and are, therefore, excluded from retirement benefits.

"In spite of the apparently excellent service record of the employee in this case, I do not feel that I would be justified in approving a bill which would single her out for preferred consideration to the exclusion of other cases of a similar character."

Inasmuch as it does not appear that there are any facts now presented in the case that were not considered in connection with my prior disapproval, and since the Board of Commissioners of the District of Columbia recommend that the bill be not approved, I am returning the bill to the Congress without my approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 13, 1941.*

The SPEAKER. The objections of the President will be spread at large upon the Journal.

Without objection, the bill and accompanying documents will be referred to the Committee on the District of Columbia and ordered printed.

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN asked and was given permission to revise and extend his remarks in the RECORD.

CORN AND WHEAT MARKETING QUOTAS

Mr. FULMER. Mr. Speaker, I call up the conference report on the joint resolution (S. J. Res. 60) relating to corn- and wheat-marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

The Clerk read the title of the joint resolution.

Mr. FULMER. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that the time for debate upon the conference report be extended 30 minutes.

The SPEAKER. Is there objection?

Mr. FULMER. Mr. Speaker, I shall have to object to that. The Interior Department appropriation bill has been scheduled to go on today. Those in charge of that bill very kindly gave us permission to bring up this conference report, provided we disposed of it in 30 or 40 minutes, and at least not over 1 hour. I hope the gentleman will permit us to do that in order that we may keep faith with the people in charge of the Interior Department appropriation bill.

Mr. AUGUST H. ANDRESEN. Of course, the gentleman knows that I can offer an amendment and get an hour's time. However, will the gentleman agree to give me 15 minutes?

The SPEAKER. The Chair agreed to recognize the gentleman from South Carolina [Mr. FULMER] to bring up this conference report, with the thought that it would not take more than the usual time. The appropriation bill for the Department of the Interior has been lying on the desk here for 5 or 6 days, ever since the closing of general debate upon that bill.

Mr. FULMER. Mr. Speaker, we have a number of people who want time, but I should be very glad to give the gentleman 10 minutes. I have promised time to others.

Mr. AUGUST H. ANDRESEN. Does the gentleman object to my request?

Mr. FULMER. What request.

Mr. AUGUST H. ANDRESEN. That the time for the debate on the conference report be extended for 30 minutes?

Mr. FULMER. Yes; I shall have to object to that.

Mr. COCHRAN. Mr. Speaker, will the gentleman yield?

Mr. FULMER. Yes.

Mr. COCHRAN. Has the gentleman given us any idea yet how much this bill will ultimately cost the Government—that is, the Senate amendment?

Mr. FULMER. I should be very glad to explain that as soon as we can get to it.

The SPEAKER. The Clerk will read the statement of the managers on the part of the House.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 60) relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with amendments as follows:

(1) On page 1 of the House engrossed amendment, in line 12 of the language proposed to be inserted by such amendment, strike out "which is not harvested as silage".

(2) On page 1 of such amendment, in lines 14 and 15 of such language, strike out "which is not harvested as silage and".

(3) On page 2 of such amendment, in lines 7 and 8, strike out ", but shall not include corn harvested as silage".

(4) On page 5 of such amendment, at the end of paragraph "(7)," strike out the following: "For the purpose of this paragraph and section 323 (b) of the Act, acreage of corn harvested as silage shall not be considered acreage planted to corn, or acreage of corn harvested."

(5) On page 6 of such amendment, in line 3 of subparagraph "(a)" of paragraph "(10)" strike out "75 per centum" and in lieu thereof insert "85 per centum".

(6) On page 7 of such amendment, in lines 8 and 9, strike out "(except as provided in paragraph (7))".

(7) On page 4 of such amendment, in line 8, insert "(b) and" after "326".

And the House agree to the same.

H. P. FULMER,
WALL DOXEY,
J. W. FLANNAGAN, Jr.,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

E. D. SMITH,
J. H. BANKHEAD,
C. L. MCNARY,
ELMER THOMAS,
GEORGE D. AIKEN,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 60) relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

(1) The Senate joint resolution provided for an optional referendum on corn and wheat marketing quotas which would permit a referendum establishing quotas for 1 year, 2 years, or no quotas. The House amendment follows the existing law which provides for a referendum for 1-year quotas or no quotas. The conference agreement adopts the House provision.

(2) In determining quotas for corn under the House amendment, acreage planted to corn but harvested as silage is not included for quota purposes. There is no comparable provision in the Senate resolution, thus following existing law in which such acreage is included. The conference agreement omits the House provision relating to the exclusion of silage acreage.

(3) Under the Senate resolution the penalty for marketing the commodity in excess of the allowable marketing, was 30 cents per bushel on corn and 50 cents per bushel on wheat. The House amendment made the penalty rate on both commodities 50 percent of the basic loan rate to cooperators for the commodity. The conference agreement adopts the House provision. The House amendment also makes the marketing penalty on cotton and rice produced this year or thereafter 50 percent of the basic loan rate to cooperators for the commodity. There is no comparable provision in the Senate resolution. The conference agreement adopts the House provision.

(4) The House amendment contains a provision, not in the Senate resolution, under which there is to be no marketing quota for 1941 for nonallotment farms if the harvested wheat acreage is not in excess of the usual wheat acreage determined for 1941 under the agricultural program and the county committee determines that there will not be marketed an excess over the 1941 farm-marketing quota. The conference agreement adopts the House provision

(5) The House amendment contains a provision not found in the Senate resolution establishing loan rates on the 1941 crop of cotton, corn, wheat, rice, or tobacco, if marketing quotas are in effect for them for 1941. The basic rate to cooperators is 75 percent of parity. The rate to cooperators outside the commercial corn-producing area in the case of corn is 75 percent of the basic. The rate to noncooperators (except outside the commercial corn-producing area, in the case of corn) is 60 percent of the basic rate, but only on the amount which would be subject to penalty if marketed.

The conference agreement makes the basic rate 85 percent of parity.

(6) The conference agreement also includes a provision making section 326 (b) of the Agricultural Adjustment Act of 1938 applicable to wheat. Under that subsection, which now applies to corn, the storage amount of a year when quotas are in effect may be marketed in any succeeding year when quotas are in effect to an amount equal to the excess of the farm marketing quota for such succeeding year over the production for such year.

H. P. FULMER,
WALL DOXEY,
J. W. FLANNAGAN, Jr.,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

Mr. FULMER. Mr. Speaker, I yield myself 5 minutes. This bill comes back to the House with three amendments, one of which will give to the wheat farmers the same advantage in marketing their excess wheat as we now give to the corn farmers. I am sure that my colleague the gentleman from Kansas [Mr. HOPE] will have something to say on this amendment and will approve the purpose of this amendment.

The next amendment struck out the provision permitting farmers to grow all of the silage they want to grow over and above their allotted corn acreage. A farmer may be cooperating in the commercial area, or under the soil-conservation program outside of the commercial area, and he may have allotted to him 100 acres for corn. Under the provision stricken from the bill he would be permitted to grow additional acreage of silage which he could use in feeding beef cattle, and he could feed his corn to his hogs.

The other amendment increases the 75-percent loan as carried in the House bill to an 85-percent loan. This loan is for 1 year to take care of this year's crop. There is an amendment on the appropriation bill known as the Russell amendment increasing amount for parity payments from $212,000,000 to $450,000,000, which would be helpful to increase parity payments which would increase purchasing and debt-paying power of farmers. We realized the opposition to this amendment and therefore agreed upon the 85-percent loan so as to give to farmers that which they are clearly entitled to, especially so because of the high prices they have to pay for everything they have to buy at this time. As a matter of fact, farmers are not getting any advantage or help from the defense program in line with other groups, and the assurance of these prices will enable them to pay these advanced prices on what they have to buy.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. FULMER. Yes.

Mr. POAGE. Is it my understanding that this bill now provides for 85-percent parity loans?

Mr. FULMER. Yes.

Mr. POAGE. And it is my further understanding that this provision for 85 percent of parity to the farmer is to be given out where he lives, and not at the primary market?

Mr. FULMER. Yes; that is my understanding. This price goes to the farmer.

Mr. COCHRAN. Let me say at the outset, although coming from a large city, I have consistently supported legislation beneficial to the farmers. I realize the farmer must make money if he is to buy what we manufacture.

There is nothing in this report and nothing was said the other day in reference to the ultimate cost of this legislation to the Government. I have heard the amount runs up to a tremendous sum. Can the gentleman give us any information at all as to just what this 85 percent of parity is going to mean to the Treasury of the United States?

Mr. FULMER. I would be very glad to. It does not take a dollar out of the Treasury of the United States. That is why we are passing this bill instead of having a wrangle over the appropriation bill when it comes before the House, which, if we should secure funds by an appropriation, then those funds would come out of the Treasury of the United States. Since we reported the House bill and passed same, cotton has been advancing and will be in line with the amount of the loan provided when this year's cotton is ready for sale.

Mr. COCHRAN. Cotton is selling at 11 cents?

Mr. FULMER. Cotton is now selling at 12½ cents.

Mr. COCHRAN. What does this provide? Does it provide a 14-cent loan on cotton?

Mr. FULMER. No. It will be about 13½ cents.

Mr. COCHRAN. And cotton today is selling at less than that price; is that true?

Mr. FULMER. The House bill carried a 12-cent loan. Immediately the price of cotton went up to 12 cents. If the gentleman will watch the papers tomorrow and the next day, he will find that the price is still advancing, and by the time the President signs the bill the price will be equal to or above the loan figure—13½ cents.

Mr. COCHRAN. In other words, you are pegging the price of cotton with the passage of this legislation?

Mr. FULMER. You might call it that.

Mr. COCHRAN. Now, this is going to cost something. That is a certainty. Has the gentleman any idea how many hundred million it will cost?

Mr. FULMER. I cannot tell the gentleman, but I will say to the gentleman that this will cost the Treasury less than a direct appropriation.

Mr. COCHRAN. That sounds very good. Is this an authorization?

Mr. FULMER. No; this provides for an increased loan program.

The SPEAKER. The time of the gentleman from South Carolina has expired.

Mr. FULMER. Mr. Speaker, I yield myself 2 more minutes.

Mr. COCHRAN. Some have said the purpose in getting this bill passed is to place in order the Senate amendment on the agricultural appropriation bill, by which they jump parity payments from $212,000,000, as passed by the House, to $450,000,000.

Mr. FULMER. That is a question that will come before the House later.

Mr. COCHRAN. When the House expressed itself on this legislation it was 75 percent of parity. Does not the gentleman think it was reasonable that the conferees should have thought about coming to an agreement at 80 percent rather than to take the Senate amendment at 85 percent?

Mr. FULMER. Eighty-five percent is considerably below the parity price of the farm products contained in this bill except rice.

Mr. COCHRAN. Why did not your committee present 85 percent when the bill was before the House?

Mr. FULMER. Because we figured at that time that we would be able to secure the adoption of the Russell amendment. It looks now that we will not be able to secure the adoption of this amendment. I would think the gentleman would be for this bill instead of against it for that reason.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. AUGUST H. ANDRESEN. As I understand it, under the $212,000,000 appropriation, the payment on cotton would be approximately 3 cents a pound; is that correct?

Mr. FULMER. No; that is not correct.

Mr. AUGUST H. ANDRESEN. How much a pound, soil-conservation and parity payments?

Mr. FULMER. Soil-conservation payments do not have anything to do with parity payments. That is an earned payment for doing certain actual work in connection with that program. The amount of parity cash payments amounts to about 1.36, not quite 1½ cents per pound.

Mr. AUGUST H. ANDRESEN. That is, under parity, plus the soil conservation——

Mr. FULMER. Soil conservation, as stated, does not have anything to do with parity payments.

Mr. AUGUST H. ANDRESEN. A loan under the 85 percent of parity would be 13.6, as I understand it. That would make a total on cotton, both parity loan and parity payment, of 14.96 cents. What is the price of cotton today?

Mr. FULMER. The price today is about 12½ cents and it is slated to go to and perhaps above the loan figures. Certainly the farmer is entitled to that price; in fact, he is entitled to 16 cents, and here is hoping the price will go to that figure. [Applause.]

The SPEAKER. The time of the gentleman from South Carolina has again expired.

Mr. FULMER. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Speaker, the most important feature of this bill and the most important change which was made by the conferees was increasing the loan rate from 75 percent of parity to 85 percent of parity. The House also receded from what was known as the silage amendment, and the conferees adopted another amendment which provided in effect that in the case of wheat, where a farmer might have to store wheat when marketing quotas were in effect, he could

sell enough of that wheat the next year or any succeeding year in which marketing quotas were in effect to make up his marketing quota if his production for that year was less than such quota.

Those are the principal changes which were made in the bill as compared with the form in which it passed the House.

I would certainly not want to be understood as urging that loans as high as 85 percent of parity were a permanent solution of the agricultural problem. I think, as far as cotton in particular is concerned, such would be a ruinous policy to follow over a long period; but I believe that for this year, with the emergency that is staring agriculture in the face, with our export markets at least temporarily gone for cotton and wheat, this provision offers the best method that we can devise to give the farmer an opportunity to secure a price which will be fairly commensurate with the price of the things he has to buy.

This report, if adopted, will likely make unnecessary the acceptance of the Russell amendment, which increases the amount appropriated for parity payments this year by $150,000,000 and also increases the amount appropriated for parity payments next year from $212,000,000, as provided in the House bill, to $300,000,000.

I believe that if we pass this bill there will be no occasion for adopting the Russell amendment this year, and I would certainly under these circumstances not urge that we increase the amount for parity payments next year.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. AUGUST H. ANDRESEN. The loan in dollars is based upon parity. Can the gentleman tell us what the loan will be if parity on wheat goes to $1.50 a bushel?

Mr. HOPE. It will be 85 percent of $1.50.

Mr. AUGUST H. ANDRESEN. At what time of the year is this loan value in dollars fixed? Is it at the beginning of the crop year or the beginning of the harvest year? And what will be the figure for parity at that time?

Mr. HOPE. I cannot tell the gentleman just at this time the exact formula the Department uses in point of time in determining parity.

Mr. AUGUST H. ANDRESEN. The harvest for cotton, wheat, and these other basic commodities will begin in the fall when parity may be considerably higher than it is now due to the increased costs of the things the farmers have to buy; but there is no certainty now with the exception of the percentage, 85 percent of parity, as to what the loan will be at that time.

Mr. HOPE. No; I do not know that we can say there is any certainty except that it will be 85 percent of parity on the date which the Department uses as a basis.

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 2 additional minutes to the gentleman from Kansas.

Mr. HOPE. With respect to the question just raised by the gentleman from Minnesota, parity prices may advance if the general price level advances, because parity prices are merely relative. It will be almost fantastic, however, it seems to me to believe that the general price level would advance enough during the next few months which would be the normal marketing period for wheat to bring the parity price up to $1.50. It may go up enough to bring the parity price up a few cents, but in my judgment that would be as far as it would go. Today the parity price of wheat is approximately $1.14. An 85-percent loan on that basis would be 96 cents.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MURRAY. I hope the Members realize when they pass on this legislation that due to the iniquitous Smoot-Hawley Tariff Act we have a 42-cent tariff on wheat and 25 cents a bushel on corn, but that in the case of cotton we are raising the price of cotton from 9 cents up to 14 cents, and we have no protection as far as competition from the foreign cotton producer is concerned. Is that right?

Mr. HOPE. Yes. There is no tariff on cotton.

Mr. COFFEE of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. COFFEE of Nebraska. Speaking of the parity price of wheat being $1.14 a bushel; that is at the farm, not at the terminal market.

Mr. HOPE. That is correct; that is the average price at the farm; of course, which would mean an average loan value in the country of 96 cents a bushel. That does not mean, however, it would be that price in every locality.

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Speaker, the distinguished chairman of our House Committee on Agriculture, the gentleman from South Carolina [Mr. FULMER], and our friend the gentleman from Kansas [Mr. HOPE] have given us an analysis and explanation of this conference report. I do not want to trespass upon your time, for I know many Members want to speak, and time under the rules on this conference report is exceedingly limited. I do, however, want to say this, in addition to what has already been said, and that is there are but four major provisions in this conference report.

The conference report provides that the basic loan rate will be 85 percent of parity. This is a mandatory rate on the five basic agricultural commodities—cotton, wheat, corn, rice, and tobacco. The conference report provides that this loan rate shall be in effect for 1 year, 1941.

The conference report does not carry any legislation forcing a reduction of acreage. The House conferees were opposed to the reduction of acreage and refused to agree to any reduction. Times are too critical and uncertain.

The conferees always want to be fair. We have worked hard; and although we had many differences, we endeavored to work them out, and I think we have accomplished a great deal for agriculture. Our conference report brings the bill back to the House practically as it passed the House, with the exception that the 75-percent loan provision in the bill as it passed the House now stands at 85 percent; also, the silage-exemption provision which was in the House bill has been eliminated. Briefly, Mr. Speaker, that is the substance of this conference report. We have done the best we could. We know we are helping the American farmer, who certainly needs all the help possible.

Mr. ZIMMERMAN. Mr. Speaker, will the gentleman yield?

Mr. DOXEY. I yield for just a question.

Mr. ZIMMERMAN. There is some confusion in the minds of certain Members who think that a loan of 85 percent of parity means that it will result in a large increase in the appropriation for parity, in the Russell amendment, over the amount the House provided. Will the gentleman please explain that to us—make that clear?

Mr DOXEY. I may say to my distinguished colleague from Missouri that this conference report has nothing to do with the Russell amendment. The Russell amendment is on the appropriation bill for the Department of Agriculture, and has reference to the $212,000,000 incorporated in that bill by the House for parity payments. We are here dealing with a conference report on a legislative bill which has no reference whatsoever to the appropriation bill. What we do here now may later on have a bearing on the amount of money Congress thinks is necessary or is willing to appropriate for future parity payments which is always contained in an appropriation bill. But we, in this conference report, have no authority or jurisdiction to deal directly with appropriation matters. Our Agriculture Committee authorizes appropriations and the Appropriations Committee makes them. The subcommittee making appropriations for agriculture, as far as the House is concerned, is presided over by the distinguished gentleman from Missouri [Mr. CANNON].

Here is what happened on what we are considering here now. The House had a joint resolution and the Senate had a joint resolution pending. The Senate resolution applied only to a referendum on quotas for corn and wheat. The House Agriculture Committee reported out House Joint Resolution 149 which not only applied to quotas for wheat and corn, but it also made this mandatory loan 75 percent of parity for the five basic agricultural commodities. That was the first time any mandatory loan legislation had been before the House for consideration.

When we passed House Joint Resolution 149 we struck out all after the enacting clause of Senate Joint Resolution 60, and inserted the House Resolution 149. It went to the Senate. The Senate disagreed to the House amendment and asked for a conference. Both the Senate and House appointed conferees. The

conference was wide open and did not pertain to any appropriation at all, but pertained to the germaneness of what was in the House Joint Resolution 149 as it passed the House, and what was in the Senate Joint Resolution 60. So the Russell amendment is in no wise in this conference and is in no wise involved in it. What this conference legislation will cost is all problematical. It is all a matter of speculation. If the market price of the various agricultural commodities goes above 85 percent of parity, there will be no necessity for a Government loan, and the way prices are going up now it may be that it will not be necessary for the Government to advance any loans at all, because corn is now above 75 percent parity, so is rice, so is tobacco, and wheat and cotton are steadily advancing. There is certainly encouraging evidence that there is more cotton being domestically consumed. In April there was more cotton consumed domestically than has ever been consumed in any month in the last several years—about 935,000 bales. With that increased consumption, with the crop already pitched and planted, with the prospect of possibly not more than a cotton crop of 12,000,000 bales this year, it may be that this is not only the most constructive legislation that could be passed, but the cheapest legislation. I mean by that, that it will possibly be the least drain on the Federal Treasury.

We are not endeavoring to pass cheap legislation. We are endeavoring to put the American farmer on an equal parity with labor and industry, and I do not believe there is a man in this Congress who begrudges what we have done for the farmers in this conference report. I hope that this conference report will be approved unanimously by this body. [Applause.]

Mr. FULMER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. H. CARL ANDERSEN. Mr. Speaker, 2 minutes passes by very quickly, but in behalf of the farmers of my district and of the Nation, I want to appeal to you Members of the House to approve this conference report.

All that the farmer is requesting in this bill is 85-percent loans on the five basic agricultural crops. We are not even asking parity, let alone a guaranty of a fair return for the long hours necessary to produce food for the Nation.

We ask only of you to raise the price floor from 75 percent to 85 percent of where it should in all fairness be, a price floor under part of what the farmer produces. Such a floor, guaranteed to be held firmly in position and free from the danger of collapse of our agricultural economy, will do much toward giving the farmer a square deal. He has had a raw deal too long and should at the very least be entitled to an even break with union labor and industry.

Is that too much to give to agriculture, the basic industry of all? You have an opportunity, ladies and gentlemen, to help by your vote to hold up that price structure and say to the world that the farmer is at the very least entitled to 85 percent of parity. Part of a loaf is better than no loaf at all, and 85 percent of parity looks better to me than 75 percent or less. That is why today, realizing 100 percent of parity to be a dream to come true in the future, I am fighting for this concession.

Surely this greatest of all legislative bodies, the Congress of the United States, does not expect the farmers of our great country to produce food for the rest of our people at a loss—not to say anything of furnishing such food for the untold millions of hungry, oppressed people in foreign lands. Surely 85 percent of parity is inadequate, but it is far better to help the farmer by loans to that extent and thereby enable him to hold his products for a rise, rather than permit the speculator to benefit therefrom—the speculator, whose only knowledge of farming is that of farming the farmer on the boards of trade, and becoming rich from the misery of thousands of farmers who have lost their farms because of low prices.

I have confidence in the fairness and honesty of you men and women and appeal again to you, my friends, to give some concrete assistance to agriculture from this session of Congress; no, not even parity, which the farmer should have by all moral rights, but only 85 percent of the same deal you have given to industry and labor by legislation in the past few years. Thank you. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Speaker, as has just been stated by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], this will serve in a way to restore to farms and agriculture parity payments. We have been over that ground so often. The farmer ought to have parity. The farm hand and workman ought to have parity, but they do not have more than half of the wages paid in industry. The farmers, when they do get parity, are the best buyers in the world. As has often been pointed out on this floor, business, bankers, and those in industry cannot afford not to allow the farmer to get parity, because every dollar the farmer gets he spends, and it increases sevenfold in the markets of the world and in restoring business and economic health to the body politic.

What is spoken of most frequently here today has to do with loans. The loan is not a gift. The loan which is to be given to farmers under this bill will be repaid and restored again into the Federal Treasury. The 85 percent of parity to be loaned on corn, will undoubtedly, in my opinion, be paid and put back into the coffers of the Commodity Credit Corporation, there to serve and be reloaned again as a revolving fund. At present there is a 61-cent-per-bushel loan on corn, and corn is now up to something like 56 or 57 cents and is going higher, so that there will not be any loss on corn or at least a very small loss. Hold that in mind.

I perhaps ought not to be asking you to increase or to put mandatory loans on wheat and cotton and other farm products, because for my own commodity, the one in which I am most interested, corn, we have already a mandatory loan in the law itself. But, as usual, I want to help every farmer throughout the whole land, both North and South, and I fully understand why there should be help for all farmers as is provided by this bill.

These loans are simply loans. This is not a price-fixing bill. It is a loaning bill and heretofore it has not been considered as a price-fixing bill. We have had these loans for many years on some of these commodities, and it has not yet fixed and will not fix the price of the commodity. Much complaint is made here because silage is not set free, that the men who are engaged in dairying cannot under this bill raise all of the silage that they can raise, and at the same time get the loans and the corn payments. But it is undoubtedly true that if one can raise all of the corn silage he can possibly produce, then there will be no control of corn production and then and thereafter we might as well do away with the law entirely. There must be some production control or else you cannot have high unit prices. High unit prices without control will bring huge surplus production and thereby depress the market. If it be true that the farmers in the dairying area cannot raise enough feed for their dairy cattle, it is likewise true that farmers in the corn-and-hog areas cannot raise enough to feed the hogs they would like to feed. There is no reason why silage should have this special gift, unless you also give a special gift of corn fodder to the hog farmer or give him other things equally advantageous. Farmers cannot have their cake and eat it, too.

Mr. AUGUST H. ANDRESEN rose.

Mr. GILCHRIST. No; I cannot yield. I have only 2 minutes left. What is the condition? The facts are that dairying is now recognized by this administration as a thing that needs help, and it will be given help. In 1940 the production of milk amounted in value to about $1,526,702,000, and that was also about one-sixth of the entire cash income of all the farmers. The Government this year is stabilizing prices.

Signs point to a good year for dairymen. Production of milk will probably set a new high record, the domestic demand for dairy products is increasing, and to this has now been added the prospect for larger shipments of concentrated dairy products to Great Britain. Prices to dairymen and the manufacturers of dairy products are higher than at this time last year. Cash income to dairymen will probably exceed $1,500,000,000 in 1941, or almost one-sixth of the total cash income to producers of all farm products.

Estimates are that there are approximately 26,000,000 milk cows on farms. The largest number on record was 27,000,000 in 1934. Probabilities are that this number will be exceeded in the next few years, since the number of young dairy stock on farms already is the largest on record.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. GILCHRIST. No; I cannot yield.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. FULMER. Mr. Speaker, I yield the gentleman 2 minutes more.

Mr. GILCHRIST. We give the dairying people aid by way of school lunches and also for the Red Cross and relief purchases and other things, and these have increased the income by millions of dollars. We give them marketing agreements, which last year amounted to almost $200,000,000 worth of products distributed among about 125,000 farmers. So that the dairy people as much as we desire to help them and will help them are getting many things others do not get.

The Department of Agriculture announced that during the period March 15–31, 1941, approximately $10,000,000 worth of surplus food commodities had been purchased. Included in the total were 4,723,000 pounds of cheese, 9,291,050 pounds of dry skim milk, and 1,124,000 cases—about 48,332,000 pounds—of evaporated milk.

Let me now quote from the address of my friend and fellow townsman, the Honorable R. M. Evans, Administrator of the Agricultural Adjustment Administration, given at Madison, Wis., 3 months ago:

> One of the most obvious forms of assistance given to the dairy farmer consists of Federal measures to increase consumption. By way of the stamp plan, for instance, nearly 22,000,000 pounds of butter have been made available to low-income families that would not have used so much butter otherwise. Free school lunches have provided children with nearly 220,000,000 pounds of surplus commodities since the fall of 1939. In the long run, the expanded research program to find new industrial uses for farm products, including a new laboratory about 200 miles from here, will gradually open up new markets for the dairy farmer.
>
> The Government's program to purchase surplus farm products for distribution to relief families has both expanded consumption and put a floor under prices. The Federal Surplus Commodities Corporation has bought about 250,000,000 pounds of butter, either in the open market or from the Dairy Products Marketing Association. These large-scale purchases, by supporting butter prices during recent years, have protected the income of dairy farmers just as effectively as have parity payments for the producers of such export crops as cotton and wheat.
>
> Today butter and milk prices are close to parity. The demand for dairy products, as reflected in prices, will no doubt continue to be strengthened as the defense program creates more jobs and bigger pay rolls in industry.
>
> In the years ahead the total consumption of dairy products will advance at least as fast as the population grows. The consumption of low-income families, in addition, can be expanded by measures such as the stamp plan that are designed for that very purpose. And the defense program, as long as it expands, will continue to boost dairy prices.

Dairymen are certainly entitled to a good wholesome farm income. We all want them to get such an income, but they should not be allowed to disrupt the whole control program and bring ruin to hundreds of thousands of farmers who are engaged in other kinds of farm production. Our zeal for the dairy farmer is sincere, but it should not lead us into the error of canceling the entire corn-control program.

I repeat that there is nothing in the bill that one should fear. I might anticipate some of the arguments that will be made, but will make one point only, because I have but 30 seconds left. The tariffs can be increased if it is necessary to prevent importations from abroad after the prices rise, as we all hope they will. It will be recalled that the Tariff Commission can increase the tariff 50 percent of the present rates if it should be necessary or helpful. I have no doubt that if this bill raises the prices of commodities, then importations over the tariff wall will not be permitted by the Tariff Commission because of the provisions to which I have called your attention. We should not and cannot disrupt the whole program. If we do not have control of farm production then we might as well do away with the whole thing.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. FULMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CANNON of Missouri. Mr. Speaker, I make the point of order that a quorum is not present and I object to the vote on that ground.

The SPEAKER. Evidently a quorum is not present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—ayes 277, noes 63, not voting 91, as follows:

[Roll No. 53]

AYES—277

Allen, Ill.
Allen, La.
Andersen, H. Carl
Andresen, August H.
Angell
Arends
Barnes
Bates, Ky.
Beam
Beckworth
Beiter
Bell
Bender
Bennett
Blackney
Bland
Bloom
Boehne
Boggs
Boland
Bolles
Bonner
Boren
Boykin
Bradley, Mich.
Brooks
Brown, Ga.
Brown, Ohio
Bryson
Buck
Burch
Burdick
Burgin
Camp
Cannon, Mo.
Capozzoli
Carlson
Carter
Case, S. Dak.
Casey, Mass.
Chapman
Chenoweth
Chiperfield
Claypool
Clevenger
Cochran
Coffee, Nebr.
Coffee, Wash.
Cole, Md.
Collins
Colmer
Connery
Cooper
Costello
Courtney
Cox
Cravens
Creal
Curtis
D'Alesandro
Davis, Ohio
Davis, Tenn.
Day
Dickstein
Dingell
Dirksen
Disney
Domengeaux
Doughton
Downs
Doxey
Drewry
Dworshak
Edelstein
Edmiston
Eliot, Mass.
Elliott, Calif.
Ellis
Fenton
Fitzgerald
Fitzpatrick
Flaherty
Flannagan
Fogarty
Forand
Ford, Miss.
Ford, Thomas F.
Fulmer
Gale
Gathings
Gearhart
Gehrmann
Gibson
Gilchrist
Gillie
Gore
Gossett
Graham
Granger
Grant, Ala.
Grant, Ind.
Gregory
Guyer, Kans.
Gwynne
Haines
Hare
Harness
Harrington
Harris, Ark.
Harris, Va.
Harter
Healey
Hébert
Heidinger
Hendricks
Hill, Colo.
Hill, Wash.
Hinshaw
Hobbs
Hook
Hope
Houston
Howell
Hull
Hunter
Imhoff
Izac
Jackson
Jarman
Jenkins, Ohio
Jensen
Johns
Johnson, Ill.
Johnson, Ind.
Johnson, Luther A.
Johnson, Okla.
Jonkman
Kefauver
Kerr
Kilday
Kinzer
Kirwan
Kleberg
Knutson
Kocialkowski
Kopplemann
Kramer
Landis
Lanham
Larrabee
Lea
Leavy
LeCompte
Lesinski
Ludlow
McCormack
McGehee
McGregor
McIntyre
McKeough
McLaughlin
McMillan
Maas
Maciejewski
Maciora
Mahon
Mansfield
Martin, Iowa
Martin, Mass.
Mason
May
Meyer, Md.
Michener
Mills, Ark.
Mills, La.
Monroney
Mundt
Murdock
Murray
Nelson
Nichols
Norrell
O'Connor
O'Hara
Pace
Patman
Patrick
Patton
Pearson
Peterson, Fla.
Pierce
Pittenger
Plauché
Ploeser
Poage
Priest
Rabaut
Ramsay
Randolph
Rankin, Miss.
Reed, Ill.
Rees, Kans.
Richards
Rivers
Rizley
Robertson, Va.
Robinson, Utah
Robsion, Ky.
Rodgers, Pa.
Rogers, Okla.
Russell
Rutherford
Sacks
Sanders
Satterfield
Sauthoff
Scanlon
Schuetz
Schulte
Scrugham
Secrest
Shanley
Sheppard
Shafer, Mich.
Short
Sikes
Smith, Conn.
Smith, Maine
Smith, Va.
Smith, Wash.
Snyder
South
Sparkman
Spence
Springer
Starnes, Ala.
Steagall
Stefan
Stevenson
Stratton
Sullivan
Sumner, Ill.
Sutphin
Talle
Tarver
Taylor
Terry
Thill
Thom
Thomas, Tex.
Thomason
Tibbott
Traynor
Van Zandt
Vincent, Ky.
Vinson, Ga.
Voorhis, Calif.
Walter
Ward
Weaver
Weiss
West
Wheat
Whelchel
White
Whittington
Wickersham
Williams
Wilson
Winter
Wolcott
Woodrum, Va.
Worley
Wright
Young
Youngdahl
Zimmerman

NOES—63

Anderson, Calif.
Andrews
Baldwin
Bates, Mass.
Bolton
Butler
Canfield
Clason
Cluett
Cole, N. Y.
Crawford
Crosser
Crowther
Culkin
Dewey
Ditter
Dondero
Eaton
Eberharter
Engel
Englebright
Faddis
Gamble
Gerlach
Hall, Edwin Arthur
Hall, Leonard W.
Hancock
Hess
Hoffman
Holbrock
Holmes
Jarrett
Johnson, Calif.
Jones
Kean
Kilburn
Lewis
McLean
Magnuson
Moser
O'Brien, N. Y.
Oliver
O'Neal
Paddock
Pheiffer, William T.
Powers
Reed, N. Y.
Rich
Rockefeller
Rogers, Mass.
Scott
Smith, Ohio
Stearns, N. H.
Taber
Thomas, N. J.
Tinkham
Treadway
Vorys, Ohio
Vreeland
Wadsworth
Wigglesworth
Wolverton, N. J.
Woodruff, Mich.

NOT VOTING—91

Anderson, N. Mex.
Arnold
Barden
Barry
Baumhart
Bishop
Bradley, Pa.
Buckler, Minn.
Buckley, N. Y.
Bulwinkle
Byrne
Cannon, Fla.
Cartwright
Celler
Clark
Cooley
Copeland
Cullen
Cunningham
Delaney
Dies
Douglas
Duncan
Durham
Elston
Fellows
Fish
Flannery
Ford, Leland M.
Gavagan
Geyer, Calif.
Gifford
Green
Halleck
Hart
Hartley
Heffernan
Jacobsen
Jenks, N. H.
Jennings
Johnson, Lyndon B.
Johnson, W. Va.
Kee
Keefe
Kelley, Pa.
Kelly, Ill.
Kennedy, Martin J.
Kennedy, Michael J.
Keogh
Kunkel
Lambertson
Lynch
McArdle
McGranery
Marcantonio
Merritt
Mitchell
Mott
Myers, Pa.
Norton
O'Brien, Mich.
O'Day
O'Leary
Osmers
O'Toole
Peterson, Ga.
Pfeifer, Joseph L.
Plumley
Ramspeck
Rankin, Mont.
Reece, Tenn.
Robertson, N. Dak.
Rolph
Romjue
Sabath
Sasscer
Schaefer, Ill.
Shannon
Sheridan
Simpson
Smith, Pa.

Smith, W. Va.	Tenerowicz	Wene
Somers, N. Y.	Tolan	Wolfenden, Pa.
Sumners, Tex.	Wasielewski	
Sweeney	Welch	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Cunningham for, with Mr. Wolfenden of Pennsylvania against.
Mr. Jennings for, with Mr. Douglas against.
Mr. Copeland for, with Mr. Osmers against.
Mr. Romjue for, with Mr. Hartley against.
Mr. Bishop for, with Mr. Gifford against.

General pairs:

Mr. Johnson of West Virginia with Mr. Halleck.
Mr. Gavagan with Mr. Simpson.
Mr. Bulwinkle with Mr. Plumley.
Mr. Ramspeck with Mr. Mott.
Mr. Peterson of Georgia with Mr. Keefe.
Mr. Cartwright with Mr. Fish.
Mr. Green with Mr. Welch.
Mr. Barden with Mr. Jenks of New Hampshire.
Mr. Cullen with Mr. Rolph.
Mr. Durham with Mr. Elston.
Mr. Cannon of Florida with Mr. Kunkel.
Mr. Martin J. Kennedy with Mr. Baumhart.
Mr. Cooley with Mr. Reece of Tennessee.
Mr. Kelly of Illinois with Mr. Fellows.
Mr. Duncan with Mr. Lambertson.
Mr. Clark with Mr. Leland M. Ford.
Mr. Lyndon D. Johnson with Mr. Robertson of North Dakota.
Mr. Keogh with Miss Rankin of Montana.
Mr. Hart with Mr. Buckler of Minnesota.
Mr. Kilday with Mr. Marcantonio.
Mr. Arnold with Mr. Merritt.
Mr. Joseph L. Pfeifer with Mr. Wene.
Mr. Dies with Mr. Delaney.
Mr. Sheridan with Mr. Byrne.
Mr. Barry with Mr. Bradley of Pennsylvania.
Mr. McArdle with Mr. O'Toole.
Mr. O'Leary with Mr. Schaefer of Illinois.
Mr. Kelley of Pennsylvania with Mr. Celler.
Mr. Flannery with Mr. Tolan.
Mr. Somers of New York with Mr. O'Brien of Michigan.
Mr. Jacobsen with Mr. Buckley of New York.
Mr. Heffernan with Mr. Kee.
Mr. Shannon with Mr. Lynch.
Mr. Sumners of Texas with Mrs. O'Day.
Mr. Tenerowicz with Mr. Sweeney.

Mr. ANDERSON of California changed his vote from "aye" to "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The doors were opened.

INTERIOR DEPARTMENT APPROPRIATION BILL, FISCAL YEAR 1942

Mr. JOHNSON of Oklahoma. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4590) making appropriations for the Department of the Interior for the fiscal year 1942, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4590, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Clerk had read the first paragraph when the Committee rose.

Mr. CANNON of Missouri. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Missouri is recognized for 5 minutes.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, I also ask unanimous consent that all who spoke on the conference report may have leave to extend their own remarks.

The CHAIRMAN. That request will have to be submitted in the House and not in Committee of the Whole.

Mr. CANNON of Missouri. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman that he may be allowed to proceed for 5 additional minutes?

There was no objection.

Mr. CANNON of Missouri. Mr. Chairman, we have just witnessed in the passage of the bill, authorizing loans on basic farm products at 85 percent of parity, one of the notable events in the legislative history of the Nation. Since the Presidential campaign of 1924 platform makers and party orators have been promising parity prices for farm products. Four times Congress has, by solemn enactment, recognized the principle of parity for agriculture and established it as the objective of the farm-recovery program. And today, in the adoption of this conference report Congress has for the first time provided for agriculture the legislation already provided for every other industry putting a floor under farm prices and farm income.

Furthermore, the unanimity with which the House has cooperated on both sides of the aisle in support of this bill effectually discredits the overworked slogan that "farmers can't get together." The stock excuse of all who for selfish reasons oppose farm legislation—and they are legion—has been: "We are for it but the farmers, the farm Congressmen, and the Committee on Agriculture cannot agree on anything." The vote on this bill this afternoon conclusively disposes of that "crocodile" alibi. The farmers are together; the committee are together; the Houses are together; and together they have agreed to this report by one of the largest majority votes in the annals of farm legislation. Here is the record for the last 15 years:

Votes on major farm legislation of the last 15 years

Congress and bill	Yeas	Nays
69th Cong.: McNary-Haugen bill	214	178
70th Cong.: McNary-Haugen bill	204	122
71st Cong.: Federal Farm Board Act	366	35
73d Cong.: Agricultural Adjustment Act	315	98
74th Cong.:		
Bankhead Cotton Act	251	115
Kerr-Smith tobacco control	206	143
75th Cong.:		
Soil conservation and domestic allotment	267	97
Cotton-price adjustment	201	127
Agricultural Adjustment Act	267	130
Parity payments for 1940	181	175
76th Cong.: Parity payments for 1941	207	176
77th Cong.: Fulmer bill	275	63

Still more significant is the fact that this bill specifically recognizes and reaffirms the principle of parity prices and the adoption of the 1909–14 purchasing power of farm products as the standard and yardstick of agricultural equity. In recent months there has been an organized attempt by those who seek to exploit agriculture to sabotage this long-established unit of measurement, and the passage of this bill, providing loans at 85 percent of parity, by such unusual majorities in both Houses, now establishes this basic principle beyond possibility of cavil or dissent.

And last but not least, the passage of this bill renders untenable the position of the Price Administration in its attempt to peg the price of pork. Under the formula provided by this bill, the parity price of corn may reach 93.3 cents a bushel, and the farmer still receive the full price in the open market.

Here are the estimates supplied by the Bureau of Agricultural Economics since the passage of the bill:

Price situation if 85-percent parity commodity loan provision is adopted

	Current parity price (Apr. 15)	Maximum to which parity price can go and the farmer still get 100 percent of parity
Corn	$0.828	$0.933
Wheat	1.14	1.20
Cotton	.16	.1833

As these prices are free on board Chicago, the price of corn on the farm would be somewhere between 95 cents and $1 a bushel, and hogs fattened on 95-cent corn, or even 93-cent corn, cannot be sold for $9.

In this connection——

Mr. RANKIN of Mississippi. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. CANNON of Missouri. If the gentleman will indulge me, I shall be glad to yield to him in just a minute.

Mr. Chairman, on April 21, in the course of debate on the floor, attention was called to the drastic discrimination by the Price Administration against agriculture. It was pointed out that in the expenditure of the $7,000,000,000 appropriation under the lease-lend bill the products, and therefore the wages, of agriculture alone were being pegged at less than parity. Press releases from the Price Administration and the Department of Agriculture were cited, repudiating the farm recovery program so painfully built up over the last 8 years and completely ignoring the vast sums from the lend-lease appropriation being poured out without stint or price-fixing restriction to labor and industry in the highest wages and the highest prices in the economic history of the world. The specious plea that consumer buying power demanded the fixing of hog prices was refuted by statistics showing hogs at $21.50 per hundred pounds and typical mechanics' wages at 59 cents per hour in 1920; hogs at $12.40 and wages at 70 cents in 1935; and hogs fixed at $9 in 1941 with mechanics' wages at 97½ cents and still

rising. Just why—if one of the two was to be selected to the exclusion of the other—just why the Price Administration should elect to fix hogs at $9 after a drop from $21.50 and at the same time ignore wages which had risen from 59 cents to 97½ cents in the same period has not been explained, but, with the permission of the House, I desire to insert in the RECORD a letter from the Price Administration touching as nearly on the subject as any communication from the Price Administration or the Department of Agriculture which has yet appeared.

The letter is as follows:

OFFICE OF PRICE ADMINISTRATION
AND CIVILIAN SUPPLY,
Washington, D. C., April 30, 1941.

Hon. CLARENCE CANNON,
House of Representatives,
Washington, D. C.

DEAR MR. CANNON: Your address before the House of Representatives on Monday last makes me believe that a brief clarification of the policy of this office with respect to agricultural prices would be helpful. Because of your deep interest in this question, I particularly want you to know that I have not singled out farm prices for special action. I will continue to support administration policies which are directed toward the improvement of farm income. There has been some misunderstanding on this whole issue which, I believe, would have been avoided had the position of my office been clearly on the record.

Some of the misunderstanding is associated with the measures announced on April 3 to increase the supplies of pork, dairy, and poultry products. First of all, I should like to state my own position on these measures.

During the past year domestic demand for meat, dairy, and poultry products has been increasing rapidly. Very recently the British Government has asked for substantial supplies of these same products. On anything so vital as our food supply we can afford no gamble with an underestimate of our needs. Any weakness in our domestic defense or any default in our aid to other countries resulting from an inadequate food supply would be inexcusable.

For these reasons I joined with the Secretary of Agriculture in steps to increase immediately the price of hogs to make increased production renumerative. For the same reasons, I concurred in the proposal to give farmers a long-term guaranty of prices of pork products, dairy products, and poultry products. The purpose of these steps was to insure that the increased production would not be marketed at distress prices—in other words, the Government rather than the individual farmer is underwriting the risk of the expansion of output. Our policy here parallels that which has been followed by the Government in minimizing the risk of industrial plant expansion for defense purposes.

This is not a price-fixing measure. No representations were made to this office by the War Department, individual Army officers, or by employers. The guaranteed prices are minimum prices, and no maximum prices have been agreed upon. Should there be a speculative advance in these or any other prices which unreasonably anticipates heavy domestic or British buying, then action will be taken. We will take it with the speculator rather than the farmer in mind.

With this clarification, I am sure that you will understand that we did not single out farm producers for discriminatory treatment. To date we have taken no steps to establish ceiling prices on farm commodities. On the other hand, we have acted to forestall increases in farm costs. You draw attention to recent wage advances in certain sectors of the steel and farm-machinery industry. The leading units in both of these industries have been enjoying relatively high profits, and in both of these cases we have taken steps to see that, unless clearly necessary in particular instances to avoid inequity, the increased costs are not passed on to customers. I am attaching a letter which I addressed last Monday to all leading manufacturers of farm equipment.

Turning to the future, I am sure that you will accept my assurance that our policy will continue to be as fair as we can make it. The President has charged me with the responsibility of using all lawful measures to maintain equitable and workable price relationship during the defense emergency and with preventing the type of price inflation which occurred during the last war. If we are to be successful, we can play no favorites—the policy must be applied across the whole board. Unjustifiable price increases and profiteering must be checked wherever they occur. But I will recognize what the Congress and the present administration have always recognized and have written into law, namely, that the prices of many farm products in past years have been too low to provide the farmer with a decent living wage for his labor. I have been a strong supporter of the objectives of the farm programs and I will continue to be. The same policy will be followed with respect to desirable and necessary improvements in farm income that we must apply to the correction of substandard returns to other groups.

Generally speaking, the policy I propose to pursue will be directed toward the largest possible measure of stability for both agricultural and nonagricultural prices. I believe such a policy to be of prime importance to agriculture itself. It has always been my feeling that the long years of farm disparity following the last war were partly the result of inflationary advances in farm prices and farm costs during the war period. The farmers' prices fell after the war was over, while his costs, his debt load, and his interest charges remained high and inflexible. He was left in the vise. To avoid a recurrence of this disaster is one of my jobs. It is my earnest desire that I will have and merit the wholehearted support of farm people in doing it.

In view of the importance of the question here discussed to farm people everywhere, I should like to release this letter to the press. Also, might I ask your good offices in seeing that it has the same circulation as your own statement. If either now or at any time in the future you wish information of any kind on policies of this office, please call on me immediately.

Very truly yours,
LEON HENDERSON,
Administrator.

With Mr. Henderson's historical summary every Member of the House is in complete accord. We agree with him that—

> Prices of farm products in past years have been too low to provide the farmer with a decent living wage for his labor.

Yet the price administration proposes to perpetuate those prices. Although hogs sold during those distress years at $10.25 and $10.05 in 1936 and 1937, respectively, Mr. Henderson now proposes to freeze them at $9.

Again he says:

> The farmer's prices fell after the war was over, while his costs remained high and inflexible. He was left in a vise.

The farmer is still in that vise. The cream separator with which he separates his butterfat costs him more today when butter is bringing 33 cents than the same separator cost him when butter was bringing 67 cents. But Mr. Henderson proposes to freeze the price of butter at 31 cents.

The freight rate on a car of eggs to New York is higher today with eggs at 24 cents a dozen than it was when eggs were 50 cents per dozen, but the pegged price is to be 22 cents per dozen. The lumber required to build a poultry house is vastly higher today when poultry is selling at 24 cents per pound than it was when poultry was selling at 36 cents per pound, but the price is to be "stabilized" at 15 cents per pound. And the corn planter with which the farmer produces corn to feed $8.45 hogs today costs more than he paid for the same corn planter when hogs were selling for $21.50. But the price administration is pegging the price of hogs at $9.

Mr. Henderson objects to the term "pegging." He explains that his price is a "minimum price." He insists that no ceiling has been established and that no maximum price has been agreed upon. But we all have vivid recollections of the fixing of the price of agricultural products in 1917 when we were told in the debate in the House and in all press releases from the Government that the prices were "minimum" prices; that no ceiling had been established and that no maximum price has been agreed upon. And we all well remember that the minimum price was the maximum price, and the price of those farm commodities remained as fixed and immutable as the laws of the Medes and Persians, while the wages and prices of labor and industry mushroomed and pyramided and skyrocketed without restraint or restriction.

Even if our wartime experience with pegged prices was not fresh in mind, a glance at the Executive order under which the Price Administration is operating, shows that according to its terms the Administration is authorized to designate maximum prices only. In paragraph (c) of section 2, provision is made for determining and publishing "maximum prices." And again in section 4, the Price Administration Committee is empowered to submit recommendations "in respect to the establishment of maximum prices." And under paragraph (a) of the second section, steps are authorized "to prevent price spiraling." But nowhere throughout the Executive order is there authorization of any kind, either by direction or inference, to fix or establish or recommend minimum prices. And yet Mr. Henderson contends that the prices he has pegged are minimum prices and not maximum prices.

And why would it be necessary, as Mr. Henderson proposes, to "give the farmer a long-time guaranty," as the letter terms it, of prices for these products when some of them are already above the fixed price and the remainder soon will be. In all the realm of absurdity there is nothing quite as absurd as that. Everybody knows that in every war hogs go up. Everybody knows that hogs will be far above $9 a hundred if left alone as the price of the products of labor and industry have been left alone. And everyone knows that the reason the price of hogs is being fixed at $9 is in order to

saddle upon the farmer the cost of providing pork for Britain while every other group in America is getting the highest wages and the highest prices ever paid in any war for all the rest of the flood of commodities being daily shipped to Britain.

The Chicago Tribune for April 29, 1941, page 21, says:

Vast quantities of pork, lard, cheese, eggs, and dry beans, all products of the Chicago area, began moving toward the eastern seaboard over the week end, presumably for shipment to England. These supplies, purchased with Government funds under the lend-lease bill, were acquired at a cost of millions of dollars sellers said yesterday.

This vast supply of farm products was purchased by the Government itself at less than parity. In other words, the farmers of America were drafted by the Government to contribute the millions of dollars' difference between the parity price promised by the Government and the price actually paid by the Government—to contribute these millions of dollars directly to the consumers of Great Britain.

And that brings us to a statement in Mr. Henderson's letter worthy of particular attention. He says he is playing no favorites—"the policy must be applied across the board." But what other class or industry is being required to contribute to shipments to Great Britain or to any other phase of the program, either services or commodities, at less than parity? Food, munitions, guns, planes, tanks, explosives, and every conceivable item in the paraphernalia of war are being rushed across the Atlantic as rapidly as they can be produced and ships can be found to transport them. And in the fabrication of guns, planes, and tanks labor is receiving more than 200 percent of parity and industry is being paid on a cost-plus basis. Labor and industry are not being asked to contribute wages or profits, and all groups engaged in the production of commodities shipped abroad are making money out of the war. Labor dictates its wages and industry fixes its prices. The labor and products of the farm alone are being requisitioned by the Government at subparity prices and the farmer alone is being required to supply his products at a price over which he has no control, and at a lower price than has been promised him in the farm-recovery program over the last 8 years. And General Marshall's staff testified in the last hearings before the Committee on Appropriations that the ration was the most important of all war munitions.

Incidentally the consistent decline in the price of hogs since the announcement of a minimum price by the Price Administration is further evidence that the price of $9 is intended as a maximum price and does not become effective until conditions which always accompany the impact of war at home or abroad advances the price to that figure under the normal law of supply and demand, which in the last war pushed the price of hogs—along with the price of industrial commodities—up to more than three times the price at which it is now proposed to peg them. In all these years in which hogs have been selling at what Mr. Henderson in his letter calls "distress prices" no one has exhibited an interest in fixing a price of $9, although Congress was busy fixing minimum wages and guaranteeing the price of coal, and oil, and transportation rates, and everything else sold under the fair-trade bill. It is only when everybody knows that hogs are going up to twice the parity price—as labor wage scales and farm machinery have already gone—that they magnanimously propose to guarantee hog prices—at less than parity.

How can it be said that the Price Administration is playing no favorites, when it is freezing the wages and prices of agriculture at less than 75 percent of parity and at the same time, by silence and inaction, encouraging the Nationwide campaign for the increase of wage scales already in excess of 150 percent of parity?

Here are the headlines from typical items from the daily papers for the last week in April and the first week in May:

From the Chicago Tribune, April 24, 1941:

Meat packers raise hourly wage 8 percent. Wage increase affects 14,000 employees and aggregates $1,500,000 annually.

From an Associated Press dispatch for April 28, 1941:

Settlement of strike of Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers and the Pittsburgh chapter of the Pennsylvania Furniture Warehousemen's Association was settled last night with the announcement that 13 of the city's largest transfer companies had agreed to 5-cent-an-hour wage increase and elimination of a 10-cent hourly wage differential between local and long-distance movers.

From Labor's Monthly Survey of April 30, 1941:

In March and April more than 700,000 wage earners in manufacturing and construction won a pay increase, bringing the total for 1941 to date close to 1,000,000.

From the St. Louis Post-Dispatch for May 1, 1941:

INTERNATIONAL SHOE GIVES WAGE RISE

Wage increases averaging about 5 percent for the skilled and semiskilled factory workers in the International Shoe Co. plants in Missouri and Illinois have been granted by the company in the last 2 weeks. The increases ranged from 1 to 10 percent in the various factories.

From the Chicago Tribune of May 1, 1941:

Wage increases of 7½ percent have been granted by the Parker Pen Co.

Continental Steel has given its employees a 10-percent increase in wages.

C. I. O. is demanding a $15,000,000-a-year increase from General Motors. The average wage now paid is $41.24 a week.

From the New York Times, May 1, 1941:

The Westinghouse Electric Co. has increased the pay of its employees $18 per month.

The MacWhyte Co., Kenosha, Mich., has made substantial increases in its pay roll.

The Fairchild Aviation Co. has increased wages 7 cents an hour and granted 2 weeks' vacations.

From the C. I. O. News, May 5, 1941:

Pay increases ranging from 10 to 35 cents an hour were made in settlement of a 1-day strike at the Kuhn & Jacobs Moulding & Tool Co.

From the Chicago Tribune, May 3, 1941:

The General Electric Co. announces a 10-cent an hour increase to more than 65,000 employees of that corporation, the largest in the electric field.

From C. I. O. News, May 5, 1941:

A contract signed with the Worcester Salt Co. in Silver Springs, N. Y., will bring a yearly $100 pay raise to 278 employees of that company. The agreement also calls for paid vacations, time and a half for overtime, and check off on union dues.

From the New York Times, May 6, 1941:

WAGE INCREASE BY ONEIDA, LTD.

ONEIDA, N. Y., May 5.—A 5-percent wage increase for 3,000 employees was announced today by Oneida, Ltd., silverware manufacturer and holder of Government contracts for surgical instruments. The increase covers piece-rate, hour, and week-rate workers at plants here, in Niagara Falls, Ontario, and Toronto.

From the Chicago Tribune, May 3, 1941:

United States Steel increases all employees earning up to $4,000 a year.

The Allegheny-Ludlum Steel Corporation announced a 10-cent an hour increase retroactive to April 1, thereby providing for $25,000 in retroactive wages for its 7,000 employees.

From the C. I. O. News, May 5, 1941:

Wage increases of 19 and 13 percent for 10,000 workers in New York, New Jersey, Connecticut, and Pennsylvania have been negotiated with the New York Clothing Manufacturers' Exchange, effective May 19, when increases previously obtained go into effect for 135,000 men's clothing workers.

From the New York Times, May 6, 1941:

BIGELOW SANFORD LIFTS PAY

AMSTERDAM, N. Y., May 5.—The Bigelow Sanford Carpet Co., Inc., announced today a flat 3½-cent hourly wage increase for employees of its plants here and in Thompsonville, Conn. The increase, effective today, will cover approximately 6,000 workers.

From Washington Times, May 3, 1941:

The United Mine Workers today gained a dollar-a-day wage increase, settling a month-old strike which had endangered the Nation's coal supply. The new agreement brings the minimum wage to $7 a day. The increase affects 400,000 bituminous miners.

On April 22 President Roosevelt submitted the compromise which finally opened the mines.

Here are more wage increases in the steel industry:

INDIANAPOLIS, IND., May 10.—Wage increases of 10 cents an hour were gained for 3,800 employees of the Continental Steel Corporation. The increase includes workers in plants in Canton, Ohio, and Kokomo and Indianapolis, Ind.

Here is one in the laundry industry:

TOLEDO, May 10.—A new contract with the Toledo Laundry Association brought 5-cent-an-hour increases and full vacations with pay.

The increases extend to fur workers:

UP GOES THE PAY

NEW YORK, May 10.—Up goes the pay. Terms of a new agreement calling for increased pay and greater job security for 15,000

workers in the fur industry here were ratified this week. A $2 wage increase covering 3,000 floor boys and shipping clerks was ratified.

The clothing industry is not overlooked:

WASHINGTON, April 19.—Pay boosts, a weekly salary guaranty, plus overtime for hours over 48 are features of two new contracts with two of the Capital's laundry and dry-cleaning places.

Increases in the wages of workers in the farm-machinery industry are of particular interest to farmers who must buy more machinery to take the place of the men taken from the farm by the draft and the higher wages paid in nearby munitions plants:

CHICAGO, April 18.—International Harvester Co. announced today a wage increase of 5 cents an hour retroactive to April 14 for all 42,000 manufacturing department employees. The increase will add a minimum of $4,500,000 a year to the pay rolls.

MOLINE, ILL., April 15.—A pay increase of 5 cents an hour effective April 20 for all day workers and piece workers in the plants of the Deere & Co., plow manufacturers, was announced today.

HARTFORD, CONN., April 18.—The Pratt & Whitney division of Niles-Bement-Pond Co., manufacturers of machine tools and gages used in the munitions industry announced tonight an 8-percent wage and salary bonus for 3,800 workers in its West Hartford plant and office.

Transportation properly comes in for its share in the general wave of increases:

PITTSBURGH, May 8.—The Order of Railway Conductors, disclosed today it had asked two railroads for 15 percent increase. J. R. Herring, local chairman of the union said: "We are entitled to an increase. Everything is going up and we are in the steel district where everyone gets a wage increase.

Mining also participates in the general advance in wage scales:

JUNEAU, ALASKA, May 10.—The Federal courts and the United States Wage-Hour Administration today gave the Alaska Juneau Gold Mine Co. no alternative but to pay out $60,000 in back overtime due its 1,000 employees.

LIBRARY, PA., May 10.—Miners in the Montour mines have gained a dollar-a-day increase with other considerations.

The hosiery industry likewise has granted pay increases to its employees:

MARTINSBURG, W. VA., May 10.—The Interwoven Stocking Co., the Nation's largest men's hosiery plant today agreed to a general 10-percent wage increase, time and one-half for overtime and the check-off. The agreement is effective for 1 year and involves 1,500 workers.

The increase in wage scales extends to other branches of the knitting industry:

ALLENTOWN, PA., May 10.—The Arcadia Knitting Mills, manufacturers of cotton fabrics, has entered into an agreement providing for a 5-percent general pay increase. The agreement calls for an hourly minimum wage of 37½ cents. The plant normally employs 1,000 workers.

The new branch of the construction industry, the manufacture of demountable houses, is also subject to the wage-increase trend:

WASHINGTON, May 10.—New wage agreements on a 650-unit project at Indian Head, Md., were announced this week. Several firms producing prefabricated houses are included. The houses are built in special plants and assembled on the site at less cost and with more speed than older methods allow.

Among the various manufacturing industries advancing wage scales is the Westinghouse Air Brake Co.:

PITTSBURGH, April 19.—Westinghouse Airbrake Co. has signed a new agreement granting a 10 cents an hour wage increase, it was announced here today. The increase affects approximately 5,000 employees.

Another Pittsburgh company joins in the announcing of an increase in wages:

PITTSBURGH, April 19.—Jones & Laughlin Steel Corporation agreed to a 10 cents an hour increase for its 24,000 workers. The raise will cost the company about $5,000,000 a year.

The increases extend over industries operated on both land and sea:

NEW YORK, May 10.—War-risk insurance was extended to American seamen for trips in dangerous waters for the first time in the history of the American merchant marine All unlicensed seamen will receive $5,000 in individual insurance and $60 a month additional pay.

WASHINGTON, April 19.—The Seas Shipping Co. has agreed to a 50-percent war bonus for voyages in South African waters and a 15 percent war emergency increase in addition to the basic pay.

The department stores are not exempt from the general raise in wages of employees:

NEW YORK, April 19.—S. Klein, women's wear specialty shop on Union Square, mecca of bargain hunters who swarm around the entrance on sale days like angry bees, has signed an agreement for $1 weekly wage increase for some 500 workers and reduction of 2 hours per week in working time.

Even the life-insurance companies are among the agencies included in the payment of additional wages:

NEW YORK, April 19.—The Metropolitan Life Insurance Co., the largest of the "big five" life-insurance companies of the country, has agreed to the payment of $86,000 to 43 union insurance agents discharged between 1933 and 1940.

Here is another steel company which has just made a very substantial increase in wages of its employees:

CHICAGO, April 19.—The Central Screw Co. has agreed to a 30 percent wage increase. The agreement lifts minimum pay for men from 35 cents an hour to 57 cents, and for women from 30 cents to 45 cents, and provides vacations with pay.

The epidemic of wage increases also involves the electric utilities:

NEW YORK, May 10.—A settlement involving payment of $300,000 in back wages was made this week by the Consolidated Edison Co., and aggregates the largest amount of back pay ever reached through negotiation in the history of the National Labor Relations Board.

Just over the line from Washington, two companies in Baltimore have announced increases. The first is in the paint industry:

BALTIMORE, April 19.—Wage increases totaling over $42,500 have been put in effect by the Glidden Paint Co.

The second is in textiles:

BALTIMORE, April 19.—The Mount Vernon-Woodbury Mill here has upped its pay roll $27,000 a year, it was announced today.

Here in Washington, according to the Times-Herald, 7,000 construction laborers received wage increases amounting from 5 to 7½ cents an hour, and District police and firemen are asking an increase of $600 a year. The latter increase would add $1,800,000 a year to the local budget.

The number of employees and the amounts involved are further indicated by a statement appearing on the first page of Steel Facts, an official publication of the steel industry reaching the desks of Members of the House this morning:

Wage rise lifts steel pay rolls to peak rate of $1,300,000,000 a year, the highest level in the history of the industry, according to the American Iron and Steel Institute.

The general trend and extent to the far-reaching increase in wage scales in all industries and all sections of the country are indicated by the following release by the Congress of Industrial Organizations:

WASHINGTON, May 10.—Wage increases amounting to $380,000,000 annually have already been won by the C. I. O. in the first 4 months of 1941, according to the current issue of Economic Outlook, monthly publication of the economic division of the Congress of Industrial Organizations.

And the report adds this significant statement:

At the same time, the Outlook pointed out, profits continued to show large increases over 1940, having jumped 17.5 percent over a similar period last year.

In corroboration of this connection, it has been frequently testified that, although wages were drastically advanced, the cost of production per unit was not increased, and in many instances actually reduced.

I want to again emphasize that the farmer is not opposed to these increases. Profits of industry are advancing by leaps and bounds and labor is entitled to a fair share of the wealth it creates.

Moreover the larger the income of labor the larger its purchasing power in the agricultural markets.

The farmer approves these increases and supports them both in marts and legislative chambers. But he insists his meager income shall not be signaled out by the Price Administration when others are encouraged to go as far as they like.

From the New York Times, May 3, 1941:

Wage increases equal to not less than 10 cents per hour are now going into effect for 125,000 employees in the Nation's electrical manufacturing industry as result of agreements by the two largest firms in the industry, the General Electric Co. and the Westinghouse Electric & Manufacturing Co. The total money value of the wage raises is estimated to be approximately $35,000,000 per year.

These are just a part of the vast number of increases in the wages of labor sweeping over the country. The wage scales which they add to and the weekly incomes which they increase were already the highest in the history of organized

labor. But Mr. Henderson makes no mention of any of them in the daily releases with which he is flooding newspapers of the Nation. Every one of these increases was fully justified. But they increase the cost of living. They add to the retail price of practically every article of merchandise on sale today. They increase the farmer's cost of living and cost of production. But Mr. Henderson fixes a price of $9 for hogs when hogs are one-third of wartime prices and less than three-fourths of parity, while he makes no reference to wage increases when wages are three times wartime wages and more than double parity.

Here are newspaper reports showing a few items in the general upswing of prices which all consumers must pay, including the farmer.

From the New York Times, April 25, 1941:

The prices of many commodities advanced sharply in the first quarter of this year. Wholesale prices of lumber in this period rose generally about 20 percent.

Even the most indispensible necessities of life were affected as indicated by this item from the St. Louis Post-Dispatch in its issue of April 26, 1941:

Liquor price cut banned. Distillers get injunctions against eight stores for violations of fair-trade contracts.

From Associated Press report, Chicago Tribune, May 1, 1941:

Wholesale prices of men's wear creep upward in markets here. Yesterday unlined gloves were marked up 50 cents to $1.50 a dozen while lined numbers were advanced from 75 cents to $2 a dozen.

From New York Times for May 1, 1941:

Wholesale prices rose 26 percent in March. Automobiles, chemicals, paints, clothing, drugs, dry goods, liquors, electrical goods, furniture, jewelry, and optical goods advanced. Shoes rose 67 percent, hardware 41 percent, industrial supplies 68 percent, plumbing 63 percent, building materials 48 percent, machinery 51 percent, metals 102 percent. The average for March was 25 percent ahead of March last year.

From the Chicago Tribune, May 1, 1941:

Illinois crude oil marked up for the third time. The increase was the third increase this month and crude-oil prices are now 12 cents higher than in March.

OIL PRICES ADVANCED

NEW YORK, May 12.—Advances of ½ cent to 1 cent a gallon in prices of Pennsylvania lubricating oils as a result of heavy demand were announced today. Neutral oils and bright stocks were raised 1 cent and some grades of cylinder oils were boosted ½ cent.

From the Washington Star of May 12, 1941:

AVERAGE PRICE OF GASOLINE INCREASES

NEW YORK, May 12.—The American Petroleum Institute reported today the average retail price of gasoline, exclusive of taxes, in 50 United States cities on May 1 was 13.11 cents a gallon, an increase of 0.69 of a cent from April 1 and 0.20 of a cent above May 1, 1940.

The average dealer price was 9.40 cents a gallon as compared with 8.78 cents on April 1 and 9.24 cents on May 1, 1940.

And the same discrimination is shown by the Price Administration as between agriculture and industry.

It is true, Mr. Henderson makes disclaimer. And as evidence encloses with the above letter a further letter, without address, as follows:

APRIL 21, 1941.

GENTLEMEN: As you know, this office has recently taken steps to maintain steel prices at the levels which prevailed during the first quarter of this year. In announcing the steel-price schedule, I drew attention to the wide range of finished products into which steel enters as a raw material, and the importance of maintaining stable prices in these finished products.

One of the products which I had especially in mind was farm machinery and equipment. The prices of these products are an important factor in the cost of farm production. As such, they are related to the prices of our entire domestic supplies of food and fiber. Should labor supplies become scarce in certain agricultural areas as a result of the defense program farm machinery will become even more important in the farm economy.

Recently wage increases have been announced in certain parts of the industry. Moreover, I am aware that certain other cost elements have advanced. But with assured prices of the major raw material and a favorable demand in the industry generally, I feel justified in requesting that there be no increase in farm machinery prices at this time. I also request that there be no alteration in your cash discounts, trade discounts, volume discounts, carry allowances, methods of quoting prices, credit practices, or other trade or price policies which would have the effect of increasing net manufacturer's prices of individual items. Where prices of equipment have not yet been quoted for this year, I request that you adhere to the price schedules which were last in effect. I am asking your voluntary cooperation in the hope, which I am sure we both share, that other steps may be avoided in this industry.

If carrying out this request imposes undue hardships on your company in some particular, I will entertain a plea for its modification, and at any time I will be glad to meet with representatives of your industry to discuss questions raised by this request.

Yours very truly,

LEON HENDERSON, *Administrator.*

The letter is hardly convincing. It does not peg steel or farm machinery. And, emphatically, it does not propose to price either at less than parity. Here is a matter-of-fact analysis of the situation:

Commodity	1919 price	Price today	Parity price	Pegged price
Lumber	$25.00	$46.20	$25.19	No limit.
Hogs	21.50	8.55	9.24	$9 down.
Mowers	50.00	97.14	48.24	No figure.
Poultry	.60	.137	14.6	$0.15.
Kitchen chairs	.85	1.56	.82	No limit.
Eggs	.60	.2250	.299	$0.22.
Horse blankets	1.50	3.50	2.49	No limit.
Butterfat	.69	.33	.34	$0.31.

It will be observed that in every instance the 1919 price of farm products declined and the same products are selling today at a half to a third of their former price. And at the same time the price of every product of labor and industry entering into the farmers' cost of production advanced and the same products are today selling at twice their former prices. It will also be noted that the same discrepancy prevails with reference to 1909–14 prices. Yet, with labor and industry at double parity, the Price Administration proposes to freeze agriculture at less than 75 percent of parity completely ignoring the daily rising tide of wage increases more directly affecting the cost of living than any other one factor.

In extenuation, Mr. Henderson says he has no control over labor. As a matter of fact there is no statutory provision for the establishment of his office or provision for the enforcement of its decrees. So, any authority vested in the Price Administration rests on provisions of Executive Order No. 8734, issued April 11, 1941.

Under paragraph (c) of section 2, of the Executive order establishing the Office of Price Administration, it is authorized to "publish" such "elements of cost or price of materials or commodities, as the Administration may from time to time deem fair and reasonable."

Again in paragraph (d) of section 2, it is authorized to "advise and make recommendations" in respect to such "activities as may affect the price of materials and commodities."

And further, under section 4 of the Executive order, the Price Administration Committee, of which Mr. Henderson is chairman, is authorized to make findings and submit recommendations in respect to "elements of cost or price of materials or commodities."

If it is contended that the wages of labor are not one of the elements, if not the principal element, "of cost or price of materials or commodities"; or that the raising of wages is not an activity which "may affect the price of materials and commodities"; or under section 4 of the Executive order "is not an element of cost or price of materials or commodities," then how account for the universal explanation by manufacturers that the cost of labor is one of the principal elements in their costs of production and the increase in the cost of labor is the cause of the increase in the price of their products. For example, when wheat sold for $2.40 a bushel in 1919 bread was 10 cents a loaf. When wheat was 30 cents a bushel in 1932 bread was still 10 cents a loaf. And today, when wheat is $1 a bushel, bread is still 10 cents a loaf. When pressed for an explanation the bakers tell us that the cost of the ingredients entering into the production of a loaf of bread is negligible and the principal element of cost is the labor, which does not fluctuate with the price of wheat. And yet Mr. Henderson, in considering the "elements of cost and price of materials and commodities" entering into the cost and price of the principal article of diet of the American people, considers the cost of the wheat but not the cost of the labor—when the baker says it is the cost of the labor and not the cost of the wheat that determines the price the consumer must pay.

Again, the manufacturers tell us that the increase in the price of shoes is due to the increase in the price of labor and not the price of the hides from which the shoes are made.

Price of hides paid the farmer and price of shoes charged the consumer as reported by the Department

	1913	1932	1937	1941
Hides	$0.18	$0.06	$0.17	$0.14
Shoes	2.23	3.09	4.15	4.25

According to these figures it will be seen that as the price received by the farmer for the raw material went down, the price received by the manufacturer for the finished product went up. And invariably, when pressed to explain the steady increase in the price of shoes when the materials entering into their production declined the manufacturer attributed the increased price to the increased cost of labor.

Similar increases in wage scales while the cost of living declines is shown in the report of the Bureau of Labor Statistics, as follows:

Weekly earnings in buildings and construction, and of factory workers, 1913, 1919, and 1940

Occupation	1913—Earnings per week	1919—Earnings per week	1940—Earnings per week	Estimated parity earnings per week
	Dollars	*Dollars*	*Dollars*	*Dollars*
Plumbers	26.13	33.99	58.10	37.13
Electricians	23.52	32.99	58.04	33.42
Stonemasons	25.46	34.00	59.60	36.18
Steam fitters	24.80	32.68	59.91	35.24
Carpenters	23.67	33.24	55.15	32.78
Painters	22.21	33.01	50.32	31.56
Bricklayers	30.43	38.50	64.85	43.24
Factory workers	12.21	24.00	25.62	17.11

Or, if further testimony is desired, the official organ of the American Iron and Steel Institute for May 1941, just received by Members of the House this week, says:

Pay rolls are now running at an annual rate of 50 percent higher than in 1929, and over 35 percent higher than paid in 1940. In recent years pay rolls have absorbed nearly 40 percent of each dollar received by steel companies for their products. The increase in pay affected last month is expected to add from $2 to $5 a ton to the cost of manufacturing steel products.

That is rather conclusive and is from an authoritative source.

Nor is industry making any sacrifices. Mr. Henderson explains in the letter which I have just read that his policy will be directed toward the "stability of both agricultural and nonagricultural prices." But how does that comport with the facts?

While hogs are being pegged at $9, butter at 31 cents, poultry and eggs at 15 cents and 22 cents, respectively, the price of nonagricultural products has had free reign. Here are a few newspaper comments:

The Chicago Tribune reports:

Costs of construction up. Federal Works Administrator John M. Carmody said yesterday his agency has been unable to start construction of a defense housing project in Buffalo, N. Y., because of "exorbitant prices." "The first bids opened for the project," he said, "were in excess of any reasonable expectation of cost for these dwelling units." The second bids also were considered out of line.

The Wall Street Journal for May 9 reports house furnishings as advancing in price:

Rising prices in furniture mart noted. House furnishings are up. Increases in dining room and bedroom prices range from 5 percent to 15 percent. Floor coverings, lamps, and housewares are generally up 5 percent to 10 percent on new goods.

The same paper in its issue of May 8 reports increases in the price of oil and gas.

The oil industry is riding the crest of the recent widespread price increase.

Increases in the price of oil products is also reported by the Associated Press for May 8:

The Socony-Vacuum Oil Co., Inc., will advance the price of heating oil by one-tenth cent a gallon, effective May 8. Prices in New York City were advanced two-tenths cent a gallon effective May 7.

Price increases in industrial commodities are general and widely distributed as indicated in a market report carried by the Wall Street Journal of May 10:

Wholesale prices are at 3½ year high for May 3 week. The Bureau index of nearly 500 price series rose from 0.2 percent to 83.2 percent of the 1926 average. Each of the 10 major commodities except foods and metals shared in the advance. Foods declined 0.1 percent. Metals remained unchanged.

The general rise in manufactured products is reported by the Associated Press as of May 7:

Because of anticipated raw material and labor shortages, under the armament program, rising prices and increasing demand for goods occasioned by rising employment and building activity, many buyers are discontinuing short-order buying and seeking to place orders which normally would be written during the July market.

The heavy increase in the price of lumber and other building material is reflected in the hearings here in Washington, as reported in the Washington Post:

Army camps cost $338,000,000 more than estimated. The Army's new cantonments will cost $833,000,000 instead of $500,000,000, as originally estimated, Brig. Gen. Brehon Somervell told the Senate Defense Investigation Committee.

The general increase in commodity prices is also officially reported by the Department of Labor:

Further rise shown in commodity index. Wholesale price gage goes to 83, as compared with 78.5 of a year ago. The general level of wholesale prices of commodities rose again in the week ended April 19, the Bureau of Labor Statistics reported today. The Bureau's index, based on the 1926 average, was 83, as against 82.9 on April 12, 82.2 on April 5, and 73.5 on April 20, 1940.

And this morning's Washington Post carries the following colorful item:

Prices for soldiers are being "kited," Dewey says. Prices are kited for the boys in blue and khaki, according to Thomas E. Dewey, national campaign chairman of the United Service Organizations for National Defense. Following a 2-day inspection tour of eight Army and Navy bases in the Newport News area, he said: "The men said they were even being charged 15 and 20 cents a glass for beer."

The Price Administration has no comment to make on these increases in wages—all of which I and all other representative farm Congressmen fully approve. The Price Administration says in effect that wages are only from 150 percent to 200 percent of parity and, therefore, increases are in order. The sky is the limit. And again I am in heartiest accord. "The laborer is worthy of his hire," but the Price Administration does not interpret it as applicable to farm labor.

And the Price Administration has no specific prices to suggest to industry. In a general way it has intimated to one or two industries that present prices, which happen to be in excess of 150 percent of parity are enough. But even that suggestion is tentative, and Mr. Henderson in the accompanying letter assures industry that he will "at any time entertain a plea for its modification."

As a matter of fact, the Price Administration has been very lenient with industry in that respect.

The Business Executive, published by David Lawrence, in commenting on the ineffectual application of these suggestions to industry, says in its issue of April 17, 1941:

The net effect will be to produce disguised price advances in the form of premiums and special charges; to bring a little price advance here and another there that will touch off a general rise. Fact of the matter is that Price Administrator Henderson recognizes this; that his plan is to resist price advances, not to prevent them.

An instance of revocation is reported by the Associated Press in the St. Louis Globe Democrat of May 2, 1941, in which the Price Administration, after issuing a statement to the effect that "no reason exists for any unreasonable price increases in bituminous coal," revoked its request for observance of existing prices of coal and thereby authorized an increase to the consumer over prices previously designated as "unreasonable."

According to the United States News of April 18, 1941, a similar request to maintain existing prices of steel scrap was likewise withdrawn.

Likewise, the United States Daily of April 18, 1941, calls attention to the disregard of prices recommended by the Price Administration by buyers "paying premiums" to sellers of steel.

And the Business Executive of May 8 reports:

Leon Henderson's price policy in reality is:

To apply a drag to prices, to force industry to justify price advances; not to try to prevent increases.

Also, his policy is to keep hands off most wage increases, to let collective bargaining work out that problem, to see that industry does not raise prices more than wage increases justify.

But there is no such assurance of adjustment to agriculture, and prices of hogs are fixed at $9, butter at 31 cents,

eggs at 22 cents. Promises to support the market have not been fulfilled, and it is difficult to escape the conclusion that the whole principal function of the Price Administration is to hold down farm prices.

This conclusion, and the philosophy on which it is based, are very well expressed in an editorial in one of the St. Louis papers, issued about May 1, 1941, entitled "Steel Balks at Price Control."

The editorial says:

> The reason assigned for higher prices of steel is the increase of 10 cents an hour in labor costs. This is said to represent a rise of 16 percent.
>
> Steel profits go up much faster than overhead as the industry nears capacity. Last year, during which 80.2 percent of capacity was reached, United States Steel profits went up 150 percent, for example. And now "big steel" is operating at 100 percent, with more profits piling up. As the Wall Street Journal points out, steel earnings are already well within the excess-profits-tax brackets.

And then the editorial closes with this significant sentence, the climax toward which the entire pronouncement is directed:

> It means, as Bernard Baruch has said, the elimination of the fundamental cause of labor trouble. And it means, further, keeping prices in line at the corner grocery store.

A more selfish, brutal, conscienceless sentence was never written. According to this editorial, it is all right to increase labor costs 16 percent when they are already 150 percent of parity. According to the same warped line of reasoning, it is perfectly proper to increase the manufacturer's profits 150 percent when they are already in the excess-profits brackets. But grind down the defenseless farmer, whose wife and children work with him 14 hours a day to feed labor and industry at less than 75 percent of parity—keep down the price of the farmer's products at the corner grocery, the only retail point of distribution. From the robber barons of Medieval Europe down to the pirates who swept the Spanish Main, you will not find a more predatory philosophy than that.

And all this despite the fact that on the authoritative determination of the United States Department of Labor as reported in Labor's Monthly Survey, the official publication of the American Federation of Labor, for April 1941:

> Living costs in March 1941, were only 1 percent above the last quarter of 1939, and less than 1½ percent above March 1940.

This is the desperate situation in which the hapless farmer finds himself. With no friends at court, deserted by the platform makers who have in every national campaign since 1924 promised him economic equality with labor and industry, his boys drafted or lured away to war industries, his costs of living and costs of production rising on every hand, the Price Administration now steps in and proposes to name farm prices below the parity adopted by the Congress, the farm organizations, and the Department of Agriculture as the objective of the farm recovery program for the last 8 years.

A notable feature of the program is the enthusiasm with which it is aided by the Department of Agriculture itself.

When the above letter was released to the press a reporter called at the Department of Agriculture and, after an extended interview, reported:

> Officials in Agriculture are elated over the Henderson statement. They say it goes much further than they had dared to hope.

No one has ever yet known the Department of Labor to entertain the hope that wage scales would be limited, and certainly it has never expressed elation over any development calculated to restrict the income of the laboring man—and especially at a time when the income of every other group and industry was advancing. No one here can recall any expression of satisfaction from the Department of Commerce that dividends and industrial incomes were being curtailed.

And no official of the Department of Labor or the Department of Commerce has ever indicated a critical attitude toward labor organizations or chambers of commerce or manifested a lack of sympathy with their efforts to secure equitable wages and better living conditions for labor or fair returns on business investments and commercial enterprise. But the unsympathetic attitude of officials of the Department of Agriculture toward farm organizations and their efforts to secure legislative and administrative alleviation of farm distress have been so obvious as to occasion comment. It was necessary to oppose the Department of Agriculture in order to pass the bill. And, on the other hand, it could never have been passed without the long and aggressive campaign and earnest cooperation of the farm organizations. I cannot refrain from expressing the appreciation I am certain all feel of the able and tactful service of President Ed A. O'Neal, of the American Farm Bureau Federation. His contribution to the American farmer in the enactment of this bill should move every farmer in the Nation to promptly affiliate himself with his nearest farm organization. And every farmer in the Nation should likewise appreciate the wholehearted support rendered agriculture in this crisis by organized labor and its representatives on this floor. Agriculture and labor have a common cause.

Notwithstanding the general understanding of the attitude of the Department toward the efforts to security parity prices for farm products, it was a matter of surprise to open the morning papers and find the following release from the Department:

> CROP LOAN RISE MAY INCREASE FOOD PRICES
>
> (By Ovid A. Martin)
>
> An increase of 10 to 20 percent in consumer prices for meats, dairy products, eggs, and poultry, and a complete revision of the Government's food-for-defense program may be expected, farm officials said yesterday, if Congress votes higher crop loans.

Here is an attempt to arouse consumer opposition to the effort to supplement the farmer's pitiful standard of living by giving him the minimum parity price for the products of his sweat and sacrifice when others are above parity.

No department of the Government has ever called attention to the effect upon the consumer when labor legislation, or coal legislation, or oil legislation, or tariff legislation, or transportation or banking legislation was before either branch of Congress. It is only when the farmer whose prices are the last to rise, the first to fall—and apparently the only prices to be pegged below parity—when the general stampede starts, that the consumer is mentioned or considered—the consumer who is himself gouging the farmer for all the traffic will bear.

This release from the Department of Agriculture at this critical time is not only unfair and unethical but wholly inaccurate.

Let us take the price of pork to the consumer, for example.

The loan rate for the 1940 corn crop was 75 percent of parity when it was announced. At the present time the parity price of corn is 82.8 cents per bushel; 75 percent of parity is 62.1 cents per bushel; and 85 percent of parity is 70.4 cents per bushel. That is, the present difference between loans at 75 percent and 85 percent of parity is 8.3 cents per bushel. When fed with the proper supplementary feeds, 9 bushels of corn will produce 100 pounds of live pork. This means that the hog farmer's production costs would be increased about 75 cents per 100 pounds if the loan rate were raised from 75 to 85 percent of parity. Boosting the loan rate from 75 to 85 percent of parity would necessitate an increase of 75 cents per hundredweight in the price at which the Government would support the hog market in Chicago. An increase in hog prices from $9 to $9.75 per hundred would mean an increase of 8.3 percent in returns to farmers. According to the Bureau of Agricultural Economics, farmers received only 57 percent of the money consumers spent at retail for pork in 1939. That is to say, 57 percent of the retail price would be increased 8.3 percent. This would mean an increase of only 4.7 percent in the total retail price of pork, instead of the 10 to 20 percent mentioned by the Department.

Boosting the loan rate for wheat from 75 percent to 85 percent of parity would increase wheat prices by 13.3 percent. The farmer gets 40 percent of the money spent at retail for flour and 15 percent of the money spent at retail for bread; therefore, a 13.3 percent increase in the farm prices of wheat would not justify more than a 5.3 percent increase in the price of flour and not more than a 2 percent increase in the price of bread, or about one-sixth of 1 cent per loaf.

This change is so inconsequential that it probably would result in no change in the retail price of bread.

Boosting the loan rate on cotton from 75 percent to 85 percent of parity would raise cotton prices about 13.4 percent. Farmers get only about 12 to 15 percent of the money spent at retail for cotton; therefore, this would not justify an increase of more than 1.6 to 1.8 percent in the price of cotton goods.

The truth is that an increase of all farm products to parity would give the consumer food at bargain prices. Compare the consumer's cost of the consum-

er's food with his income and his buying power over the last two decades:

Factory earnings and farm prices 1920–40 with comparable index numbers for price of food and cost of living

[Index numbers, August 1909–July 1914=100]

Year	Farm prices [1]	Retail price of food	Factory [2] wages, cents per hour	Cost of living
1920	211	--------	[3] 60.6	--------
1921	125	--------	[4] 52.4	--------
1922	132	--------	[4] 49.4	--------
1923	142	--------	54.1	--------
1924	143	--------	56.2	--------
1925	156	--------	56.1	--------
1926	145	174	56.8	178
1927	139	--------	57.6	--------
1928	149	--------	57.9	--------
1929	146	--------	59.0	--------
1930	126	--------	58.9	--------
1931	87	--------	56.4	--------
1932	65	--------	49.8	--------
1933	70	--------	49.1	--------
1934	90	--------	58.0	--------
1935	108	--------	59.9	--------
1936	114	--------	61.9	--------
1937	121	--------	69.5	--------
1938	95	--------	71.6	--------
1939	93	--------	72.0	--------
1940	98	--------	73.9	--------
February 1941	103	140	76.4	141

[1] Source: Page 573 of Agricultural Statistics, 1940, and current U. S. Department of Agriculture publications.
[2] National Industrial Conference Board (25 industries).
[3] Average for 7 months, June–December
[4] Average for 6 months, July–December.

It will be noted from this table that in 1926, the year commonly taken as a criterion the consumer was earning 56.3 cents per hour and paying an index of 145 for his food, while this year he is earning 76.4 cents per hour and paying only 103 for his food.

Let us take another table. Here is a report, one just reported, given to the press this week:

Earnings of steel workers and farm prices, 1920–41, with comparable index numbers for price of food and cost of living

Year	Farm price index numbers	Retail price of food	Average hourly earnings	Average hours worked per week	Cost of living
1920	211	--------	70.8	63.2	--------
1921	125	--------	52.2	54.1	--------
1922	132	--------	50.4	58.1	--------
1923	142	--------	59.6	57.7	--------
1924	143	--------	63.6	51.3	--------
1925	156	--------	63.3	53.6	--------
1926	145	174	63.6	54.4	178
1927	139	--------	64.4	53.1	--------
1928	149	--------	64.7	54.0	--------
1929	146	--------	65.4	54.9	--------
1930	126	--------	66.1	48.9	--------
1931	87	--------	63.6	43.4	--------
1932	65	--------	53.1	27.2	--------
1933	70	--------	52.4	34.0	--------
1934	90	--------	62.8	29.5	--------
1935	108	--------	65.5	34.2	--------
1936	114	--------	66.8	39.8	--------
1937	121	--------	81.8	36.8	--------
1938	95	--------	83.0	27.6	--------
1939	93	--------	84.2	34.8	--------
1940	98	--------	85.0	36.2	--------
1941 (April)	103	140	97.0	40.0	141

Source, 1914–1933: National Industrial Conference Board: 1934 to date: American Iron and Steel Institute.

According to this authoritative report, the steel worker who was earning 63.6 cents per hour and paying an index price of 145 for his food in 1926 is today earning 97 cents an hour and paying 103 for food.

And the retail price of food to all buyers, which was 174 to all buyers in 1926, is only 140 today. So there need be no undue apprehension on the part of the Department that an increase of 4.7 percent in the price of pork will unbalance the steel worker's budget, especially in view of the above increase of 16 percent in his wages.

Officials should take into consideration the fact that the Department of Agriculture is made for the farmers and not the farmers for the Department of Agriculture. And if the Department of Labor is in need of a few selected dictators guaranteed to look after the interest of the consumer to the exclusion of every other consideration, the American farmer could probably be prevailed upon to send over a few who have demonstrated exceptional talent in that direction in their efforts to keep the price of farm commodities below the cost of production.

Fortunately they have little control over legislation and the conference report which the distinguished gentleman from South Carolina, Chairman FULMER, reports here this morning is an effective answer to all, both in and out of official life, who have been seeking to saddle on the farmer the expense of supplying England with food while labor and industry who are sending over guns and tanks in the same ships are getting the highest wages and making the largest profits in the history of America.

It is evident from the order fixing agricultural prices at less than parity, and from the above letter, that the farmer may expect neither justice nor mercy at the hands of the Price Administration. His hogs which brought as high as $21.50 in the last war are being shipped to England at today's market of $8.45, while industrial products manufactured at a wage of 71 cents per hour in the last war are being shipped to England at today's rate of 97 cents per hour, and all other manufactured commodities at proportionate profits.

The Committees on Agriculture of the House and Senate, the most important committees in this session of Congress, and those two great agricultural leaders, Chairman FULMER, of South Carolina, and Senator BANKHEAD, of Alabama, have rendered an invaluable service by presenting this bill.

But this is temporary legislation. It is limited to 1 year. And it does not apply to hogs and other farm products. It is gratifying to know that the House Committee on Agriculture under the gentleman from South Carolina is now holding daily hearings preparatory to drafting a comprehensive bill to permanently stabilize all agricultural products at parity prices. That is all the farmer asks. He is ready and willing and anxious to contribute his share to national defense. He has never yet failed to supply food and raw materials in ample quantities for both America and her allies, and he will not fail now. He is not expecting the high prices of the last war—although labor and industry are getting more than in the last war. He will be content to work long hours, at peak production, under emergency conditions and all he asks for his labor and sacrifice is bare parity, although he pays double the parity price for many items entering into his cost of production.

Is that too much for these loyal, faithful men and women toiling laboriously, without complaint, in wind and sun and rain, from the earliest streaking of the dawn into the deepening shadows of the creeping dusk, to produce for all of us the most essential and indispensable necessity of either peace or war? Mr. Speaker, this House does not think so. And this Congress does not think so. And that is why both Houses are agreeing to this conference report by as nearly a unanimous vote as is ever granted controversial legislation of this character.

And they will be as fair with the permanent bill when it is reported from the committee. There are many who live at the expense of the farmer—the middlemen, the spinners, the warehousemen, the grain dealers, the processors, and numerous others who are always ready to conjure up obstacles.

They will tell you that you cannot solve the farm problem in Congress—that you cannot legislate prosperity. But that is exactly what Congress has been doing for years. The economic system of our fathers has been legislated out of existence. The law of supply and demand has been completely superseded by laws establishing floors and ceilings, quotas, and embargoes; guaranteeing returns on investments, limiting competition, levying tariffs, and so forth, creating supervisory agencies, and otherwise supplanting and disrupting natural economic formulas. All these arbitrary enactments legislated money into the pockets of classes and industries. They would not have been passed if they had not legislated money to favored groups—the favored groups who lobbied for them. And, of course, when they legislated money into the pockets of one group they had to legislate it out of the pockets of other groups. It had to come from somewhere, and a large part of it came out of the pockets of the farmer, with no compensating enactments to legislate it back.

But our experience with this bill proves conclusively that we can legislate money into the pockets of the farmer as well as into the pockets of any other class. The mere fact that this legislation was even contemplated affected the markets of every exchange in the Nation.

Here is the comment of the New York Times for May 1, 1941, following the first House vote on the pending bill. Although it was freely predicted at the time that the bill would never become a law, the effect on the price of cotton was immediate and convincing:

NEW YORK, May 1.—House vote on loan bill sends cotton up. Approval of FULMER'S bill inspires broad buying, with gainpushing prices to the peak for the season. List rises 16 to 20 points.

Similar gains followed the Senate action of the bill, as reported by the St. Louis Post-Dispatch the next morning following approval of the Fulmer bill by the Senate committee headed by Senator BANKHEAD:

GOVERNMENT PEGGING PLANS BOOST COTTON $3 IN WEEK

NEW YORK, May 3.—Cotton for future delivery climbed sharply in the New York

Cotton Exchange again today, closing 22 to 27 points or $1.10 to $1.35 a bale higher as legislative trends in Washington hinted a better break through higher-price pegs for the grower. Gains for the week were 67 to 74 points.

Active demand was attributed to Senate Agricultural Committee approval of an 85-percent parity loan for cotton. The Senate committee action followed House approval of a 75-percent parity loan earlier in the week.

The present loan a farmer can get from the Government against his crop, averages 9.42 cents a pound. The House would hike this to 12.20 cents. The Senate would make the rate 13.60 cents.

The Associated Press dispatches carried by the Chicago Tribune of May 4 reported:

Farm commodities rushed up to higher prices under the influence of the National Senate's Agriculture Committee's vote for 85 percent of parity loans. Most other commodities followed suit in futures markets and the Associated Press average for 35 commodities in spot sale markets, based on 1926 as 100, reached a new high since October 1937. The index was 82.03, up 0.02 from Friday.

At Chicago wheat gained from 2½ to 3⅝ cents a bushel and corn was up from ⅝ to 1⅛ cents.

Cotton in the New York futures market was $1.10 to $1.35 higher at the close after a strong opening.

The St. Louis Post-Dispatch for May 5, also stressed the effect of the progress of the pending bill on commodity prices:

COMMODITY PRICE INDEX IS HIGHEST SINCE OCTOBER 1937

NEW YORK, May 4.—Agricultural products led commodities in a strong comeback last week after the uneven performance of the preceding 7-day period.

The House and Senate vied for honors in helping out the farmer. The lower Chamber passed a bill raising loans on farm commodities to 75 percent of parity price and the Senate Agricultural Committee boosted the ante to 85 percent.

A new burst of buying in the Worth Street cotton textile market gave cotton prices additional support.

The effect of the proposed legislation was as marked in the wheat pit as on the cotton exchange. The Nashville Tennessean, for May 4, said:

LEGISLATIVE NEWS CAUSES GRAIN JUMP

CHICAGO, May 3.—Legislative news from Washington regarding the farm program had a rousing effect on the grain market today.

Reports that the Senate Agricultural Committee had voted unanimous approval of 85 percent of parity prices on Government loans on wheat, corn, cotton, tobacco, and rice, shot wheat prices up 3¾ cents on the abbreviated Saturday trading session.

Under present benefit payments, the adoption of the 85 percent of parity loans would bring farmers approximately $1.15 a bushel for wheat and 87 cents a bushel for corn on the farm. With even the prospects for such prices being established, buyers appeared in the grain pits as if by magic.

As a result, wheat closed strong.

The broad advance of prices sent all deliveries of wheat, soybeans, lard, and May corn contracts to new high levels for the season, and in some cases, even longer.

Congress can solve the long-delayed farm problem. Legislation brought about the disparity and legislation can restore parity. And the constructive program initiated by the Committee on Agriculture with the cooperation of the distinguished gentleman from Kansas [Mr. HOPE], the ranking minority member of that great commttee, one of the most useful and best beloved Members of the House, will save the farm, and in saving the farm will save the Nation.

In this program and in the enactment of legislation to implement it the Congress will have the hearty cooperation of the President. Mr. Henderson says in his letter—

The President has charged me with the responsibility of using all lawful measures to maintain equitable and workable price relationships.

But the President has not indicated approval of inequitable price relationships. Recently I submitted to the President several tables, including the following:

National income, United States, 1909–41

Year	Total national income	Nonfarm income	Farm income	Farm as percentage of total
	Million dollars	*Million dollars*	*Million dollars*	*Percent*
1909	26,415	22,070	4,345	16.4
1910	28,114	23,474	4,640	16.5
1911	28,480	24,251	4,229	14.8
1912	30,394	25,798	4,596	15.1
1913	32,133	27,560	4,573	14.2
1914	31,919	27,367	4,552	14.3
1915	33,210	28,404	4,806	14.5
1916	39,036	33,198	5,838	15.0
1917	47,385	38,482	8,903	18.8
1918	55,357	44,856	10,501	19.0
1919	60,354	48,756	11,598	19.2
1920	64,552	56,478	8,074	12.5
1921	54,210	49,883	4,327	8.0
1922	57,546	52,109	5,437	9.4
1923	66,171	59,620	6,551	9.8
1924	68,824	61,898	6,926	10.1
1925	73,278	65,852	7,426	10.1
1926	75,564	68,695	6,869	9.1
1927	76,457	69,618	6,839	8.9
1928	78,117	71,209	6,908	8.8
1929	80,372	73,542	6,830	8.5
1930	73,571	68,456	5,115	7.0
1931	62,384	59,303	3,081	4.9
1932	48,355	46,551	1,804	3.7
1933	45,771	43,174	2,597	5.7
1934	52,540	49,164	3,376	6.4
1935	57,007	52,770	4,237	7.4
1936	66,722	61,599	5,123	7.7
1937	70,753	65,282	5,471	7.7
1938	64,687	60,236	4,451	6.9
1939 [1]	68,127	63,821	4,306	6.3
1940 [2]	71,829	67,611	4,218	5.9
1941 [3]	80,350	75,700	4,650	5.8
INCLUDING GOVERNMENT PAYMENTS				
1933	45,933	43,174	2,759	6.0
1934	53,096	49,164	3,932	7.4
1935	57,590	52,770	4,820	8.4
1936	67,009	61,599	5,410	8.1
1937	71,120	65,282	5,838	8.2
1938	65,169	60,236	4,933	7.6
1939 [1]	68,934	63,821	5,113	7.4
1940 [2]	72,595	67,611	4,984	6.9
1941 [3]	81,050	75,700	5,350	6.6

[1] Revision of preliminary estimate given in table on p. 650 of 1941 agricultural appropriation hearings.
[2] Preliminary.
[3] Forecast.
Source: Bureau of Agricultural Economics.

In response, the President wrote:

THE WHITE HOUSE,
Washington, April 10, 1941.

MY DEAR MR. CANNON: The tables enclosed with your letter of March 15 I have had before me for some time. They offer striking evidence that, despite the many measures in aid of agriculture which have been undertaken and the great improvement in farm income and general agricultural conditions which have occurred in recent years, the problems of the farmer are continuing problems. We must not relax our efforts to attain further improvement. As far as practicable under conditions imposed by the national emergency, agriculture must continue to receive assistance in its efforts to attain that share of the national income to which it is rightfully entitled.

FRANKLIN D. ROOSEVELT.

[Applause.]

[Here the gavel fell.]

Mr. COLLINS. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, Meridian, Miss., has a splendid example of what can be done in the way of low-rent housing projects. Meridian is my home town, and it is a progressive community with a population of 40,000 to 45,000. It has accomplished something in the field of housing of which we are justly proud.

Financed and generally supervised by the United States Housing Authority, the housing authority of the city of Meridian, which is comprised of local citizens, has constructed four low-rent housing projects. These were built for families of low incomes who were in need of suitable housing.

Of the four projects, two are for white families and two are for colored families. The two for white families contain 80 and 99 units, respectively. For the colored families, one project has 97 units, and the other has 113 units. In all there is a total of 379 dwelling units for 379 families. Three hundred and seventy-nine families are occupying decent, convenient housing facilities at a very low rent. Therefore, there are 379 happier and more contented families in Meridian.

The 2 projects for white families were constructed of concrete and brick, and the ones for colored families were constructed of reinforced concrete of a type known as the monolithic design. They are good, substantial buildings. Just as soon as the contractors finished the buildings for the whites, the units were completely occupied. The interest in these projects and the desire to occupy them is reflected in the waiting list of 75 to 100. The colored projects are filled. The 2 colored projects will provide adequate low-rent housing facilities for the Negroes. There still exists need for additional white projects in Meridian.

Considered among the show places of the city, sightseers constantly drive by these attractive housing projects. Before the projects were completed meetings were held by the United States Housing Authority to acquaint the citizens with the workings of this new housing program. Both white and colored persons spoke at various meetings until the people were acquainted fully with the projects. The projects today enjoy the practically unanimous support of the citizens.

These projects are self-liquidating and the Federal Government will not lose a cent of the money spent in my home town on housing.

This work constitutes a civic asset, in addition to raising the morale of the tenants. Many of the tenants did not know there could be such conveniences and

more, which if continued will surely mean disaster; and

Whereas acts now taking place at Washington, D. C., appear to be leading our country into a war which would take our young men to foreign lands to fight, bleed, and die: Now, therefore, be it

Resolved, That the Board of Supervisors of the County of Waupaca, State of Wisconsin, representing a population of 34,576 persons, hereby protests against the tremendous expenditure and exorbitant debt increases by the national administration and also protests against involvement in any war which will take our young men to a foreign land to fight, bleed, and die; and be it further

Resolved, That a copy of this resolution be sent to Congressman Reid F. Murray, Senator Robert M. La Follette, Jr., Senator Alexander Wiley, and the President of the United States, Franklin D. Roosevelt, so that our protests may be made known to them.

Dated at Waupaca, Wis., May 7, 1941.

Approved and passed at the regular session of the board on May 7, 1941.

RESOLUTION OF ILLINOIS CONFERENCE, EVANGELICAL LUTHERAN AUGUSTANA SYNOD—MAINTENANCE OF PEACE

Mr. WILEY. Mr. President, I also present for printing in the RECORD and appropriate reference a letter from the secretary of the Illinois Conference of the Evangelical Lutheran Augustana Synod, embodying a resolution adopted by the recent annual convention of the conference at Monmouth, Ill.

There being no objection, the letter embodying a resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

THE ILLINOIS CONFERENCE OF THE EVANGELICAL LUTHERAN AUGUSTANA SYNOD,
Chicago, Ill., May 8, 1941.

The Honorable ALEXANDER WILEY,
Senate Chamber, Washington, D. C.

DEAR SIR: In accordance with instructions received, I respectfully beg to submit to you the following resolutions:

"Whereas the Illinois Conference of the Augustana Synod, representing approximately 70,000 Lutherans, is meeting for its eighty-ninth annual convention at Monmouth, Ill., in a day of universal anxiety, stress, and strife; and

"Whereas the Augustana Synod has repeatedly expressed its conviction that war, as a method of settling international disputes, is contrary to the spirit of Christ and the Gospel: Be it therefore

"*Resolved*—

"1. That we express our gratitude to God for our beloved country, for the spiritual foundations on which it was founded, for its high idealism, for its free institutions, and for its democratic form of government.

"2. That we emphatically declare our opposition to such policies as will tend to involve the United States in actual participation in the present world conflict.

"3. That we solemnly remind our chosen national leaders and representatives of their repeated promises that American soldiers and sailors will not be sent to fight in foreign territories, and we expect that these pledges shall be honestly kept.

"4. That we commend all members of Congress who have opposed involvement of our country in the present conflict, and we urge them to support all measures designed to conserve our national strength and resources for full and effective national defense.

"5. That we earnestly plead with the President of the United States and his advisers that they make the fullest use of the tremendous influence which they possess in an effort to stop the spread of the present suicidal struggle and to explore every means by which peace negotiations may be speedily inaugurated between the belligerent nations.

"6. That we ask our pastors and people continually to make supplications before the throne of mercy, confessing our individual and national sins, and imploring God to grant us His pardon and to turn away from us the judgment we have so fully deserved; and that we plead for bleeding and suffering mankind in all war-cursed lands, that the God of Peace may cause His spirit to still the passions of human hatred and strife and to bring their woes and sorrows to an end.

"7. That copies of this resolution be sent to the President of the United States, to the Senators and Representatives in Congress from the States of Illinois, Wisconsin, Michigan, and Indiana and to the press, and that we request all pastors to read these resolutions from their pulpit."

Very truly yours,

J. A. LANDIN,
Secretary, Illinois Conference.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate:

S. Res. 116. Resolution providing for sorting, indexing, and transferring certain Senate documents and papers (submitted by Mr. TYDINGS on May 13, 1941), with an amendment.

Mr. BILBO, from the Committee on Agriculture and Forestry:

S. 1300. A bill to amend the Soil Conservation and Domestic Allotment Act, as amended, with respect to the making of grants of aid, with amendments (Rept. No. 284).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BREWSTER:

S. 1514. A bill providing for the transfer of certain property from the Home Owners' Loan Corporation to the Department of the Interior for national-park purposes; to the Committee on Banking and Currency.

By Mr. MURRAY:

S. 1515. A bill for the relief of Mrs. Jessie A. Beechwood; to the Committee on Claims.

By Mr. LANGER:

S. 1516. A bill to enable low-income family groups which are not receiving public assistance to acquire food under the stamp plan for distribution of surplus agricultural commodities; and

S. 1517. A bill to enable low-income family groups which are not receiving public assistance to acquire food under the stamp plan for distribution of surplus agricultural commodities; to the Committee on Agriculture and Forestry.

By Mr. WALSH:

S. 1518. A bill to prohibit the use of the mails or other channels of interstate or foreign commerce for the delivery or transmission of any advertisement, solicitation, statement, or other communication wherein the word "olympic" or any of its derivatives is used in such a manner as is likely to deceive the public; and

S. 1519. A bill to prohibit the use of the mails or other channels of interstate or foreign commerce for the delivery, transportation, or transmission of any tickets, advertisements, solicitations, statements, or other communications containing false statements or representations as to the amateur character of any event, competition, or spectacle, for the purpose of selling tickets of admission to or raising funds for the support of such event, competition, or spectacle; to the Committee on Interstate Commerce.

ADDRESS BY SENATOR WILEY BEFORE P. E. O. CONVENTION

[Mr. WILEY asked and obtained leave to have printed in the RECORD a speech delivered by him before the P. E. O. convention, held at the Shoreham Hotel, Washington, D. C., May 14, 1941, which appears in the Appendix.]

ARTICLE ON EUROPEAN FOOD SITUATION BY J. I. FALCONER

[Mr. BURTON asked and obtained leave to have printed in the RECORD an article on the European food situation, written by Dr. J. I. Falconer, department of rural economics of Ohio State University, and published in the Ohio Farmer, which appears in the Appendix.]

ARTICLE BY E. W. RISING ON "THE NEW SUGAR ACT"

[Mr. THOMAS of Idaho asked and obtained leave to have printed in the RECORD an article by E. W. Rising entitled "The New Sugar Act," which appears in the Appendix.]

CORN AND WHEAT MARKETING QUOTAS—CONFERENCE REPORT

Mr. BANKHEAD. Mr. President, I submit the conference report on Senate Joint Resolution 60 and ask unanimous consent for its present consideration.

The VICE PRESIDENT. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 60) relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with amendments as follows:

(1) On page 1 of the House engrossed amendment, in line 12 of the language proposed to be inserted by such amendment, strike out "which is not harvested as silage"

(2) On page 1 of such amendment, in lines 14 and 15 of such language, strike out "which is not harvested as silage and".

(3) On page 2 of such amendment, in lines 7 and 8, strike out ", but shall not include corn harvested as silage".

(4) On page 5 of such amendment, at the end of paragraph "(7)," strike out the following: "For the purpose of this paragraph and section 323 (b) of the Act, acreage of corn harvested as silage shall not be considered acreage planted to corn, or acreage of corn harvested."

(5) On page 6 of such amendment, in line 3 of subparagraph "(a)" of paragraph "(10)" strike out "75 per centum" and in lieu thereof insert "85 per centum".

(6) On page 7 of such amendment, in lines 8 and 9, strike out "(except as provided in paragraph (7))".

(7) On page 4 of such amendment, in line 8, insert "(b) and" after "326".

And the House agree to the same.

E. D. SMITH,
J. H. BANKHEAD,
C. L. MCNARY,
ELMER THOMAS,
GEORGE D. AIKEN,
Managers on the part of the Senate.

H. P. FULMER,
WALL DOXEY,
J. W. FLANNAGAN, Jr.,
CLIFFORD R. HOPE,
J. ROLAND KINZER,
Managers on the part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report? The Chair hears none. The question is on agreeing to the report.

Mr. BANKHEAD. Mr. President, I do not care to take any time about the matter. I should like to have a yea-and-nay vote on the adoption of the report. I think every Member of the Senate knows what is involved.

Mr. McNARY. Mr. President, is this the conference report on the so-called commodity parity loan measure?

Mr. BANKHEAD. It is.

Mr. McNARY. I understand that the measure passed by the House provided for a 75-percent parity loan. The joint resolution as introduced in the Senate, considered by the Senate committee, and reported to the Senate, was for a 100-percent loan. Later the Senate agreed to an 85-percent loan, and that was agreed to in conference. This is the conference report on that matter, is it?

Mr. BANKHEAD. It is.

Mr. McNARY. If there is to be a roll call on agreeing to the report, I think there should be a fitting explanation by the able Senator from Alabama. The matter is a very important one. I may say that I probably had little to do with the compromise which brought about the present figure; but I know that the measure affects, probably beneficially, the producer, and that it may somewhat increase the cost to the consumer. It is a large item. Before we vote, I think we should thoroughly understand about the subject matter. For that reason, I suggest that the able Senator make a statement if he desires an expression of the Senate by a vote at this time.

Mr. BANKHEAD. I shall be glad to comply with the Senator's suggestion.

Mr. HATCH. Mr. President, before the Senator begins his remarks may I ask him a question? I want him to explain a matter. I saw in the morning newspaper a statement by some department official to the effect that if this 85-percent parity loan were adopted it would increase the cost to the consumer some 10 or 20 percent. I am thoroughly in disagreement with that statement; and I should like to have the Senator, in his explanation, comment a little bit upon it.

Mr. BANKHEAD. I shall be glad to do that, also.

Last week I addressed the Senate on the general subject of parity income for farmers, and submitted a number of tables which were included in the RECORD. I do not intend at this time to review the arguments presented to the Senate last Tuesday.

This subject has been under consideration by Congress for practically this entire session. Early in the session a bill was introduced by me providing for parity price loans up to 100 percent. The bill was duly considered by the Senate Committee on Agriculture and Forestry. Hearings were held which covered some days and made up a pretty full record upon the subject. Later the committee went into the consideration of the bill; and, although there was not an entirely full membership present, the committee with those present, 13 or 14 Members, unanimously voted a favorable report on the bill. The bill is now on the calendar, but has not been called up for consideration because it was well known by those who were keeping in touch with the situation that the House was considering a loan bill, and it was thought advisable to wait until the House took action.

Later, at a meeting of the Senate Committee on Agriculture and Forestry called to consider that subject exclusively, the bill and the principles involved were again considered by the committee, and with a pretty full membership present the committee agreed to support an 85 percent loan. We did not then bring the matter to the Senate for action under my original bill, which was on the calendar, for the same reason. Senate Joint Resolution 60 was passed by the Senate. The House committee had reported a 75-percent-loan measure. So when the House acted on Senate Joint Resolution 60 it adopted some amendments, including one inserting the 75-percent provision.

The joint resolution came back to the Senate, and the Senate disagreed to the House amendment because it was the judgment of the Senate Committee on Agriculture and Forestry that the loan should be 85 percent; so the matter was sent to conference. The only changes the conferees made in the measure as passed by the House were to eliminate an amendment which had been put in in the House on the subject of silage and to change the 75 percent to 85 percent.

The report of the conference committee was unanimously agreed to by each House unit. In other words, the five Senate conferees supported the 85-percent provision, and the five House conferees also agreed to the 85-percent provision.

The conference report then went to the House for action; and there a yea-and-nay vote was taken, as most Members probably may have noted, on the acceptance of the conference report fixing the loan rate at 85 percent. The vote over there stood 274 on a roll call in favor of the acceptance of the conference report, with 63 in opposition—a vote of about 4 to 1. So we now have here the same conference report under a motion to approve the report.

In answer to the question propounded by the Senator from New Mexico [Mr. HATCH] about a newspaper report, we all know that there are certain groups who, on all occasions when the welfare of the farmers of the country is brought to the attention of Congress, oppose in a general way any action favorable to increasing the income of farmers, primarily upon the asserted ground that it will result in an increase in cost to consumers.

Mr. President, if that position were taken and maintained in the case of all other groups of earners and workers, there might be some excuse for presenting that suggestion every time anything comes before the Congress in the interest of the farmer. It has not been long since at this session of Congress, after a 2-year trial, a measure providing for a continuance of the Bituminous Coal Commission was presented to the Congress. It was well known that the operation of that law tended to increase the wages of the coal miners because of the fixation of the selling prices by the coal operators. As we all know, the measure was supported largely by the coal miners. No one raised the point here that we should not pass remedial and progressive legislation to help preserve and promote one of our great industries because there would be some increase, somewhere along the line, in the selling price of coal. On the contrary, Congress, with very little opposition, after a 2-year experience under that law and knowing its effect, proceeded to continue the law in effect for 2 years longer.

Did we hear any complaint here when the National Labor Relations Act was under consideration by the Congress on the ground that benefits to union labor in the matter of increasing their earnings would injure the consumers of the country? I do not recall any argument based upon that ground. There were some opponents to the passage of the bill creating the National Labor Relations Board, but the objections were based upon other grounds than because of the interest of the consumers, though thoughtful men fully understood that under the operation of that act, giving to the workers the lawful right to organize, the lawful right to present their claims without being punished economically or otherwise, the result would be an improvement in working conditions and an increase in earning power on the part of the industrial worker.

Mr. President, the workers organized, and I heard no objection to the passage of that law because the increase in wages of the industrial workers would be injurious to the general consumers of the country.

There are many programs which have been passed by the Congress. We find railroad rates fixed by the Interstate Commerce Commission, and no effort here in the interest of the consumers, after many long years, to repeal the law establishing the Interstate Commerce Commission, although many years ago it recognized that transportation by railroad constituted a monopoly. All competition was eliminated, and freight rates were fixed on a basis which the Interstate Commerce Commission thought would be reasonably profitable to the transportation companies, and at the same time not greatly injurious to the public.

We find that some professional economists, some persons who never in their lives produced a single commodity, either agricultural or otherwise, are the ones who, in the main, take to the newspaper columns to air their views. As we know, there are in the Department of Agriculture, a department which should be representing the farmers to help them get a fair deal and obtain justice, some theorists who assert that they are representing the consumers and not the farmers. Every one of them should be eliminated from the Department of Agriculture.

Mr. President, I do not know the source of the reports which were published in the newspapers. I do know that the statements of fact made are not true. In my former speech I presented a table in which the cost of cotton, wheat, and corn

were involved. Really, tobacco and rice are not involved in this program. The prices of those commodities are now above parity, and the producers of those commodities will not operate under this loan program, unless there is some unexpected change in the situation. So there are only three commodities affected.

I saw a statement that the program would increase the cost of living by 5 percent, or 10 percent, or some other arbitrary amount.

Mr. HATCH. If the Senator will yield, I think it was stated it would be as much as 20 percent, although I am not sure of that.

Mr. BANKHEAD. Probably it was so stated. Those responsible for such reports have gotten so wild, reckless, absurd, and extreme in their opposition simply because for the first time in many years Congress is now ready to act with a degree of fairness and justice to the great unorganized agricultural workers of this country.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I am glad to yield.

Mr. GILLETTE. Is it not also a fact that even with the yardstick which we use, the period which we called the parity period, even in that most favorable relationship, the farming element have never had their proportionate share, and did not have their proporationate share of the national income?

Mr. BANKHEAD. That is correct. Considering the percentage of the population they comprise, it is true they never have had it.

Consider cotton, and let us see what percentage the price to the farmer represents in the matter of the cost of living. It was pointed out in my speech, in the table prepared, not for this occasion but previously prepared by the Bureau of Agricultural Economics, a scientific organization, a nonpolitical civil-service organization, that the raw cotton in a $2 shirt costs less than 1½ cents. Suppose the price of the cotton were doubled—and this program would not do that—suppose the price were doubled and the farmer were paid 3 cents for the raw material. The shirt would doubtless still sell at the same price, $2. Where is the percentage in the increase of the cost of living in that proposition?

Mr. President, the laundryman who washes a shirt gets 5 or 10 times as much every time he launders the shirt as the farmer who toils to produce the cotton gets for the raw material in the shirt. Yet we hear talk about a little, infinitesimal increase in the cost of the raw cotton which goes into the manufactured product increasing in some substantial way the total cost of living.

The news articles mentioned refer not to how much the cost of cotton or the cost of corn will be increased. The writers are not fair enough to confine their assertions to a situation of that sort, which would give the public a true and accurate understanding of the percentage in the increase in the cost. These theorists, these economists, whose names are not given to the public would be ashamed, in my judgment, to permit their names to be used as sponsors for any such brazen and absurd suggestions as have been carried in the newspapers during the last few days.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield?

Mr. TAFT. Would the Senator state, purely for information, the present loan prices on the three commodities, and what they will be after the passage of this measure?

Mr. BANKHEAD. I shall be glad to. The present loan price on cotton is about 56 percent of parity. It is also true of wheat that the present loan price is about 56 percent of parity.

Mr. McNARY. Mr. President, I think the Senator from Ohio desires to have the loan price per pound on cotton and per bushel on wheat and corn.

Mr. BANKHEAD. The loan price on cotton is about 9 cents a pound. The loan price on wheat is 65 cents a bushel. The loan price on corn is about 61 cents a bushel. Those are the present rates. Since the passage of the Agricultural Adjustment Act of 1938 there has been a mandatory loan price on corn of 75 percent. The other commodities have had a rate, dependent on the judgment of the Secretary of Agriculture, which would range from 52 percent as a minimum to 75 percent as a maximum. So, under the present law the 75-percent loan is really permissible, but the trouble is the Department has been unwilling to fix the loan at the maximum figure, except, of course, that the loan price on corn was fixed at 75 percent. That loan price has been in effect for 3 years

Mr. TAFT. Would the Senator state what the new loan figures would be in cents per pound or per bushel for the three commodities?

Mr. BANKHEAD. Yes. Under the 85-percent program contained in the bill the loan price on cotton will be 13.49 cents; on corn it will be 69.87 cents; on wheat, 96.22 cents, on tobacco, flue-cured, 19 cents; on fire and dark air-cured tobacco, 8.41 cents; on burley tobacco, 18.53 cents. If the Senator will turn to page 3611 of the CONGRESSIONAL RECORD of May 6, he will find the table setting out those figures.

Mr. TAFT. Will the Senator again yield?

Mr. BANKHEAD. I yield.

Mr. TAFT. Will the Senator state what the present market price of these three commodities is? The market price of wheat is approximately the same as the new loan price.

Mr. BANKHEAD. The market price has been increasing on all these commodities since the prospective passage of this legislation. I am unable to give the Senator exactly the farm price of these commodities.

Mr. SMITH. Will the Senator yield to me for a moment?

Mr. BANKHEAD. Yes.

Mr. SMITH. If the measure shall be passed, I think it will not result in costing the Government a penny by reason of the increase in loan prices, because this morning the market on cotton opened only 15 points below the loan price. Middling cotton was quoted this morning at 13.15 cents. The proposed legislation will fix 16 cents a pound on cotton as 100 percent parity; 85 percent would be 13.6 cents; so cotton would have to go up only a few points more for the market price to be equal to the loan price. It is my opinion that under this measure the farmers will sell their cotton and not put it in the loan, because the market price always exceeds the loan price by a certain amount.

I am informed that the situation with respect to wheat is practically the same.

Will the Senator from Alabama yield further to me?

Mr. BANKHEAD. I am glad to have the Senator proceed.

Mr. SMITH. Every time there has been an increase in farm prices we have heard calamity howlers talk about the consumers. I do not believe that any man who produces cotton will think that he will make any money with cotton at from 13 to 14 cents a pound. Wheat at a dollar or a dollar and a quarter a bushel will not increase the amount the consumer has to pay for bread. Even if it did, the man who produces the wheat is entitled to something. I do not think we in this body should attempt to make peons and paupers out of the producers of that which sustains our lives, even though our action should raise the price to the consumer, and I do not admit that it would at all.

I know that in 1917 and 1918 cotton went to 42 cents or 43 cents a pound. That did not result in increasing to any great extent the price of manufactured goods. I think the most wholesome thing I have seen during the present session of Congress is a determination on the part of the Members of the House and Senate to give the farmer some small break.

Mr. TAFT. Mr. President, by what I have said I did not intend to imply any criticism whatever. I am simply trying to get the facts. I asked the Senator from Alabama what the market prices of cotton, wheat, and corn are, simply so that we may know whether the new loan prices are higher or lower. From what the Senator says, I think the price of cotton is fairly close to the prospective loan price. Will the Senator give me similar information with respect to wheat and corn?

Mr. SMITH. The same percentage holds true with respect to wheat. So we may be faced with the prospect of no loans at all during the coming year, but that the market will absorb the commodity.

Mr. TAFT. Will the Senator explain one other matter? Let us assume the Government makes 13½-cent loans on cotton. Of course, we do not consume, as I understand, our entire cotton crop; so would it be necessary to sell that loan cotton at a discount in order to get rid of it abroad?

Mr. SMITH. No; we will put what we do not consume in a loan.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. McNARY. Free cotton, then, will move in this country, and that which

formerly has gone as export will be held under Government loans.

Mr. SMITH. Yes.

Mr. BANKHEAD. In answer to the Senator from Ohio, let me say that it is my judgment that this year there will be little, if any, surplus cotton.

Mr. SMITH. For this year's crop.

Mr. BANKHEAD. The latest report available shows that the domestic consumption of cotton in 1 month—April—was 939,000 bales. The annual consumption, assuming it continues at that rate, will be 11,200,000 bales. If we take into consideration, then, the quantity of cotton that will doubtless be taken by the Surplus Marketing Administration for distribution in the form of mattresses and other manufactured goods, it is perfectly evident, unless there should be a break-down in the volume of consumption, that there will be no surplus cotton.

Mr. TAFT. Can the Senator state how many bales of cotton the Government either now owns, or with respect to which it has loans?

Mr. BANKHEAD. Unhappily the Government owns a great deal of cotton. It owns 6,200,000 bales, which it has owned for some years. It had loans on about 5,000,000 bales more, but a large part of that has been drawn out by borrowers and sold.

Mr. TAFT. Does the Senator know how much?

Mr. BANKHEAD. No; but probably 1,000,000 bales.

Mr. TAFT. Of the 5,000,000 bales, about 1,000,000 have been drawn out?

Mr. BANKHEAD. Drawn out and sold.

Mr. SMITH. The amount reported day before yesterday was 10,041,000 bales.

Mr. TAFT. So, in effect, the Government today owns between 10,000,000 and 11,000,000 bales.

Mr. SMITH. As the Senator has said, the Government owns approximately 6,000,000 bales, and has loans or an equity with respect to about 5,000,000 bales. The Government either owns outright or has an equity in 10,041,000 bales.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BANKHEAD. Let me ask the Senator from Georgia [Mr. RUSSELL] if he can give us the figures with respect to the amount in which the farmers have an equity.

Mr. RUSSELL. I do not know the exact number of bales in which the farmers now have an equity, but I have been advised that, due to the increase in the price of cotton, caused, as I see it, almost altogether by the loan legislation, farmers have been disposing of their equity; and the amount with respect to which there are Government loans at this time is probably considerably below 5,000,000 bales.

Mr. BANKHEAD. I think it is below 4,000,000 bales.

I now yield to the Senator from North Dakota.

Mr. LANGER. I think it is generally conceded that the producers of wheat have not received the cost of production. It is also conceded that with the war coming on the cost of the machinery they have to buy will be much higher. I should very much like to know why the Senate conferees did not insist on 100 percent of parity.

Mr. BANKHEAD. We did the best we could. Originally the House voted only 75 percent. We had to give and take.

Mr. President, I do not wish to prolong the debate. Coming back to the question asked by the Senator from New Mexico [Mr. HATCH] with regard to the general talk about the increase in the cost of living to the consumers, I have briefly discussed cotton. Let me refer briefly to wheat. I should like to have the attention of the Senator from Ohio [Mr. TAFT], if I may. I know the Senator is seeking information, and I am glad to try to furnish it.

I discussed the increase in the cost of cotton and showed how negligible it is from the standpoint of the increase in cost by reason of the amount paid to the farmer. That is the only legitimate increase in the cost.

Let us see about wheat. The amount received by the farmer for the wheat in a pound of white bread is only a fraction of a cent.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. TAFT. I do not for a moment dispute the Senator's desire to raise the price, and I do not intend to oppose the conference report. My difficulty is the question of economics involved in getting rid of the surplus, of which the Government has already acquired a large amount and may acquire more. I do not think that the proposed difference in price is in any way unfair to consumers in the United States; and if a sound means can be found for raising that price, I certainly am glad to support it. The Senator does not need to argue with me the question of whether or not the small proposed increase in price would injure the consumer. I do not think it would.

Mr. BANKHEAD. I shall not proceed further along that line.

I wish to make this statement in public to the Senator: Going back to the pre-war days, the parity-price period, I wish to call the attention of Members of the Senate to the fact that that period of 4 years is generally recognized by the economists as representing the fairest balance of exchange between industrial and agricultural prices. I wish to say to the senior Senator from Ohio that during that pre-war parity period, the most prosperous and most satisfactory in the history of this country, his great father was President of the United States. I have often remarked elsewhere that the record shows that President Taft was a wonderful business executive. We are now seeking to go back to the same situation of balance in the relations between agriculture and industry that existed during the period which brought so much prosperity, happiness, and contentment to the people of this country. I do not make that statement merely because the Senator from Ohio is present. I have said the same thing on other occasions, when he was not present.

Mr. TAFT. I thank the Senator for his very kind reference to that administration.

Mr. BANKHEAD. I mean it very sincerely.

Mr. President, I shall consume no more time. I am ready to vote. I think we ought to have a yea-and-nay vote. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. LUCAS in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Ellender	Murray
Aiken	George	Norris
Andrews	Gerry	O'Mahoney
Austin	Gillette	Overton
Bailey	Glass	Pepper
Ball	Green	Reynolds
Bankhead	Guffey	Rosier
Barbour	Gurney	Russell
Barkley	Hatch	Schwartz
Bilbo	Hayden	Smathers
Bone	Hill	Smith
Brewster	Holman	Spencer
Brown	Hughes	Stewart
Bulow	Johnson, Colo.	Taft
Bunker	Kilgore	Thomas, Idaho
Burton	La Follette	Thomas, Okla.
Butler	Langer	Tobey
Byrnes	Lee	Truman
Capper	Lodge	Tunnell
Chandler	Lucas	Tydings
Clark, Idaho	McCarran	Van Nuys
Clark, Mo.	McFarland	Wallgren
Connally	McNary	Walsh
Danaher	Maloney	Wheeler
Davis	Mead	Willis
Downey	Murdock	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present. The question is upon agreeing to the conference report on Senate Joint Resolution No. 60. On this question the yeas and nays have been demanded and ordered. The clerk will call the roll.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Vermont will state the parliamentary inquiry.

Mr. AIKEN. Will the Chair state the question?

Mr. McNARY. Mr. President, the Senator from Vermont, as I understand, desires to know if the question is upon the adoption of the conference report.

The PRESIDING OFFICER. That is correct. The question is on the adoption of the conference report. The clerk will call the roll.

The legislative clerk called the roll.

Mr. AUSTIN. I announce the necessary absence of the senior Senator from California [Mr. JOHNSON], who would vote "yea," if present.

Mr. GLASS. I have a general pair with the senior Senator from Minnesota [Mr. SHIPSTEAD]; but, inasmuch as he votes for everything the farmers want, I am confident that if present he would vote "yea." As I intend to vote the same way, I am therefore at liberty to vote, and vote "yea."

Mr. McNARY. I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. I am advised that, if present, he would vote "yea," as I am about to vote. I vote "yea."

Mr. TYDINGS. My colleague the junior Senator from Maryland [Mr. RADCLIFFE] is necessarily absent from the Senate. If present, he would vote "yea."

Mr. HATCH. My colleague the Senator from New Mexico [Mr. CHAVEZ] is unavoidably detained from the Senate. If present, he would vote "yea."

Mr. STEWART. My colleague the senior Senator from Tennessee [Mr. MCKELLAR] is necessarily absent because of illness. If present, he would vote "yea."

Mr. HILL. I announce that the Senator from Arkansas [Mrs. CARAWAY] is absent from the Senate because of a death in her family.

The Senator from Mississippi [Mr. HARRISON] and the Senator from New York [Mr. WAGNER] are absent because of illness.

I am advised that, if present and voting, the Senator from Arkansas [Mrs. CARAWAY], the Senator from Mississippi [Mr. HARRISON], and the Senator from New York [Mr. WAGNER] would vote "yea."

I further announce that the Senator from Virginia [Mr. BYRD], the Senator from Iowa [Mr. HERRING], and the Senator from Utah [Mr. THOMAS] are detained in Government departments on official business. I am advised that, if present and voting, the Senator from Iowa and the Senator from Utah would vote "yea."

The Senator from Utah [Mr. THOMAS] has a general pair with the Senator from New Hampshire [Mr. BRIDGES].

The Senator from Tennessee [Mr. MCKELLAR] is paired with the Senator from Michigan [Mr. VANDENBERG].

Mr. MCNARY. The Senator from Kansas [Mr. REED], the Senator from North Dakota [Mr. NYE], and the Senator from Minnesota [Mr. SHIPSTEAD] are unavoidably absent. If present, all these Senators would vote "yea."

The Senator from Wisconsin [Mr. WILEY] and the Senator from Illinois [Mr. BROOKS] are detained on official business. If present, they would vote "yea."

The result was announced—yeas 75, nays 2, as follows:

YEAS—75

Adams	Ellender	Murray
Aiken	George	Norris
Andrews	Gillette	O'Mahoney
Austin	Glass	Overton
Bailey	Green	Pepper
Ball	Guffey	Reynolds
Bankhead	Gurney	Rosier
Barbour	Hatch	Russell
Barkley	Hayden	Schwartz
Bilbo	Hill	Smathers
Bone	Holman	Smith
Brewster	Hughes	Spencer
Brown	Johnson, Colo.	Stewart
Bulow	Kilgore	Taft
Bunker	La Follette	Thomas, Idaho
Burton	Langer	Thomas, Okla.
Butler	Lee	Tobey
Byrnes	Lodge	Truman
Capper	Lucas	Tunnell
Chandler	McCarran	Tydings
Clark, Idaho	McFarland	Van Nuys
Clark, Mo.	McNary	Wallgren
Connally	Maloney	Walsh
Davis	Mead	Wheeler
Downey	Murdock	Willis

NAYS—2

Danaher	Gerry

NOT VOTING—18

Bridges	Byrd	Chavez
Brooks	Caraway	Harrison
Herring	Radcliffe	Vandenberg
Johnson, Calif.	Reed	Wagner
McKellar	Shipstead	White
Nye	Thomas, Utah	Wiley

So the report was agreed to.

EXTENSION OF STATUTE OF LIMITATIONS IN WAR-RISK INSURANCE CASES

Mr. LANGER. Mr. President, on February 25, 1941, I introduced Senate bill No. 952 extending the statute of limitations in suits on war-risk insurance cases.

No authoritative decision on what constituted permanent and total disability under these insurance contracts was rendered until the Supreme Court of the United States passed upon the question in the case of *Lumbra* v. *United States* (290 U. S. 551) in the year 1934. This case was a signal for many of the United States circuit courts of appeals to usurp the function of a jury by deciding issues of fact. At the time that the Lumbra decision came down actions on war-risk insurance contracts were barred. Recently, the Supreme Court of the United States again passed upon the question of permanent and total disability under war-risk insurance contracts. This case is of utmost importance to disabled World War veterans and their beneficiaries because it definitely lays down the rule that issues of fact should be decided by a jury.

I therefore ask that the decision of the Supreme Court in the case of Leroy A. Berry against United States, decided on March 5, 1941, be printed in the RECORD for the information of claimants who have previously been denied rights under these insurance contracts. This decision reversed a decision of the United States Circuit Court of Appeals for the Second Circuit, reversing a judgment in the veteran's favor entered in the District Court of the United States for the District of Vermont. It lays down the important rule that an insured does not have to be absolutely helpless or bedridden in order to recover insurance benefits, and that he may perform some labor and still be permanently and totally disabled.

It adds a very good reason why the statute of limitations should be lifted in these cases.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[*Berry* v. *United States of America*. United States Supreme Court. No. 336, October term, 1940. March 3, 1941. On petition for writ of certiorari to the United States Circuit Court of Appeals, Second Circuit. Reversed. (For opinion by Circuit Court of Appeals, see 3, Life Cases 948.)]

VETERAN TOTALLY AND PERMANENTLY DISABLED—DELAY IN FILING CLAIM

Plaintiff was seriously wounded in active service while his policies of war-risk insurance were in force. His injuries necessitated the amputation of his left leg, and although he was given vocational training in photography and automobile mechanics, he was unable to follow either as an occupation or to follow any other gainful occupation. However, he tried to operate a farm, but failed, and then tried to sell aluminum cooking utensils, but could not continue at such work. He did not file this action seeking to recover benefits provided under his policies until 13 years after he became disabled. The jury in the trial court found that he was totally and permanently disabled within the meaning of his policies, and a judgment was entered in his favor on their verdict. The court of appeals reversed that judgment. However, this court finds that the evidence substantially supported the jury's verdict, and the judgment of the court of appeals is reversed, and that of the district court affirmed. The fact that the plaintiff attempted to work rather than lie idle should not prevent his recovery of disability benefits to which he was rightfully entitled.

C. L. Dawson, 923 Fifteenth Street, Washington, D. C., P. F. Gibson, F. E. Barber, Jr., Brattleboro, Vt., for petitioner.

Francis Biddle, Solicitor General, for respondent.

RULINGS BELOW

Black, J.: Petitioner sued the United States in a Federal district court, alleging that he became totally and permanently disabled prior to November 31, 1919, while his policies of war-risk insurance were in force and effect.[1] Trial was had and evidence heard. The trial judge declined to grant the Government's request for a directed verdict in its favor. The jury found for petitioner. The Government, without having made any motion either for a new trial or for judgment notwithstanding the verdict, took the case to the circuit court of appeals. Upon review that court held plaintiff had not produced sufficient evidence to justify submission of the cause to the jury. The court did not, however, remand the case to the district court for further proceedings, but reversed the judgment and dismissed the cause of action.[2]

QUESTIONS PRESENTED

The petition for certiorari presented two questions: First, whether there was sufficient evidence to sustain the verdict; second, whether the circuit court of appeals erred in dismissing the cause instead of remanding it for a new trial. This second question invoked our jurisdiction in order to obtain an authoritative construction of subdivision (b) of rule 50 of the Rules of Civil Procedure. In part that subdivision provides:

"Whenever a motion for a directed verdict made at the close of all the evidence is denied or for any reason is not granted, the court is deemed to have submitted the action to the jury subject to a later determination of the legal questions raised by the motion. Within 10 days after the reception of a verdict, a party who has moved for a directed verdict may move to have the verdict and any judgment entered thereon set aside and to have judgment entered in accordance with his motion for a directed verdict."

Since the Government made no such motion within 10 days after the verdict, petitioner urged here that the circuit court of appeals was without power to dismiss the cause but should have remanded it for a new trial. But while this important point, upon which the circuit courts of appeals are not in complete agreement,[3] is one of the two questions upon which the petition for certiorari rested, there is no occasion for us to reach it here. For we find that there was sufficient evidence to sustain the jury's verdict, and we hold that the district court properly denied the Government's motion for a directed verdict in its favor.

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[1] Though petitioner alleged that his policies were in effect until November 30, 1919, in reality it was necessary for him to show that he became totally and permanently disabled prior to September 1, 1919. This variance in dates is not material, however.

[2] (3 Life Cases, 948) 111 F. (2d) 615.

[3] Compare *Conway* v. *O'Brien* (7 Automobile Cases 387), 111 F. (2d) 611, 613 (C. C. A. 2d), reversed this day, with *Pruitt* v. *Hardware Dealers Mutual Fire Ins. Co.* (2 Fire and Casualty Cases 393), 112 F. (2d) 140, 143 (C. C. A. 5th). And see *United States* v. *Halliday*, decided January 9, 1941 (4 Life Cases 1194) (C. C. A. 4th).

POSSIBLE JURY FINDINGS

Rule 50 (b) goes further than the old practice[4] in that district judges, under certain circumstances, are now expressly declared to have the right (but not the mandatory duty) to enter a judgment contrary to the jury's without granting a new trial.[5] But that rule has not taken away from juries and given to judges any part of the exclusive power of juries to weigh evidence and determine contested issues of fact[6]—a jury being the constitutional tribunal provided for trying facts in courts of law. Here, although there was evidence from which a jury could have reached a contrary conclusion, there was testimony from which a jury could have found these to be the facts: Petitioner suffered injuries on June 16, 1918, while serving in the front lines in France. On that date, in the early morning hours, bits of shrapnel wounded him in the right arm, right shoulder, right hip, and in front of the right ear. He was helped to a dugout by another soldier. There he found others who were wounded. About 15 minutes after he arrived at the dugout another shell struck, immediately in front of the dugout door. All the 9 or 10 men present were either killed outright or were so badly wounded that they were unable to leave. Petitioner's left leg was practically cut off below the knee. He twisted a part of his wrapped leggings around his wound to stop the bleeding. About 6½ hours later he was taken on a stretcher and carried back to the first-aid station. There his wounds were temporarily dressed. After another 6 or 7 hours he was carried to the hospital. Shortly thereafter an operation followed and his left leg was removed. He underwent several operations in the hospitals in France, leaving that country for the United States in August of 1918 and arriving in Boston on September 7. He was treated in hospitals in the United States until about Christmas 1918.

During the years between the time of the injury and the time of the trial, petitioner suffered repeatedly from abscesses and blisters on the stump of his left leg, and his right leg has caused him inconvenience, suffering, and disability. In addition his nervous system has shown serious and continuous impairment, so much so that the circuit court of appeals properly said, "Certain it is that he was neurasthenic, and had uncontrollable accesses of terror at any explosion, or even during thunderstorms." There has never been a time since his injuries when he could do work which required him to stand upon or use the stump without having it blistered, chafed, or abscessed within 2 days. Several physicians who examined and treated him through the years were of opinion that he would never be able to work continuously at a gainful occupation because of his condition, and that he had never been able so to work since the wound was received. The Government gave him vocational training both in photography and in automobile repair work. He tried both, but from his own evidence, corroborated by that of his employers in many instances, the jury could have found that in spite of his determination to succeed, he was physically unable to do so. He bought a farm. He was compelled to depend on the work of his own family and relatives in this undertaking, but the venture was a failure and he lost the farm. He tried to operate a garage in partnership with another. In this, too, he was unsuccessful and the jury could have found that his failure was attributable to his physical disabilities. For a time he was engaged as a salesman of aluminum cooking utensils. But here again the jury could have found that his contribution to the venture was small. For as elsewhere, there was testimony tending to show that it was a member of his family, in this instance, his wife, whose labors made it possible for this activity to be carried on. Taking the evidence as a whole, the jurors, who heard the witnesses and personally examined the petitioner's wounds, could fairly have reached the conclusion that since his injuries petitioner never had been able, and would not be able thereafter, to work with any reasonable degree of regularity at any substantially gainful employment. The trial judge, who had the same opportunity as the jury to hear the witnesses, denied the Government's motion for a directed verdict and correctly instructed the jury what they must find from the evidence in order to return a verdict for petitioner.[7]

TOTAL AND PERMANENT DISABILITY

It was not necessary that petitioner be bedridden, wholly helpless, or that he should abandon every possible effort to work in order for the jury to find that he was totally and permanently disabled.[8] It cannot be doubted that if petitioner had refrained from trying to do any work at all, and the same evidence of physical impairment which appears in this record had been offered, a jury could have properly found him totally and permanently disabled. And the jury could have found that his efforts to work, all of which sooner or later resulted in failure, were made not because of his ability to work but because of his unwillingness to live a life of idleness, even though totally and permanently disabled within the meaning of his policies.[9] Nor does the fact that he waited 13 years before bringing suit stand as an insuperable barrier to his recovery. His case was not barred by any statute of limitations. Whatever weight the jury should have given to the circumstance of petitioner's delay in filing his claim, that weight was still for their consideration in connection with all the other evidence in the case.

There was evidence from which a jury could reach the conclusion that petitioner was totally and permanently disabled. That was enough. The judgment of the circuit court of appeals is reversed, and that of the district court is affirmed.

It is so ordered.

[4] Compare *Slocum* v. *New York Life Insurance Co.*, 228 U. S. 364, with *Baltimore & Carolina Line* v. *Redman*, 295 U. S. 654.

[5] The relevant portion of the rule provides: "If a verdict was returned the court may allow the judgment to stand or may reopen the judgment and either order a new trial or direct the entry of judgment as if the requested verdict had been directed."

[6] See *Gunning* v. *Cooley*, 281 U. S. 90, 94; *Richmond & Danville R. R.* v. *Powers*, 149 U. S. 43, 45; *Texas & Pacific Ry.* v. *Cox*, 145 U. S. 593, 606; *Railroad Co.* v. *Stout*, 17 Wall. 657, 663.

[7] The Government expressed satisfaction with the trial judge's charge, which, as to total and permanent disability, contained this statement: "A total disability is any physical or nervous injury which makes it impossible for a person to follow continuously a substantially gainful occupation at any kind of work for which he was competent or qualified, physically and mentally, or for which he could qualify himself by a reasonable amount of study and training. The word 'total' as applied to 'disability' does not necessarily mean incapacitated to do any work at all. The word 'continuously' means with reasonable regularity. It does not preclude periods of disability which are ordinarily incident to activities of persons in generally sound health, for nearly all persons are at times temporarily incapacitated by injuries, or poor health, from carrying on their occupations. If Berry was able to follow a gainful occupation only spasmodically, with frequent interruptions, due to his injuries, and his shock, he was totally disabled. A disability is permanent when it is of such a nature that it is reasonably certain it will continue throughout a person's lifetime."

[8] *Lumbra* v. *United States* (290 U. S. 551, 559–560).

[9] See *United States* v. *Rice* (72 F. (2d) 676, 677); *Nicolay* v. *United States* (51 F. (2d) 170, 173); *United States* v. *Lawson* (50 F. (2d) 646, 651); *United States* v. *Godfrey* (47 F. (2d) 126, 127); *United States* v. *Phillips* (44 F. (2d) 689, 691).

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Taylor, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 916) authorizing the Secretary of War to grant a revocable license to Guy A. Thompson, trustee, Missouri Pacific Railroad Co., and successors in interest, to maintain certain railroad trackage and station facilities on Jefferson Barracks Military Reservation, and it was signed by the Vice President.

ACQUISITION AND USE OF MERCHANT VESSELS

The Senate resumed the consideration of the bill (H. R. 4466) to authorize the acquisition by the United States of title to or the use of domestic or foreign merchant vessels for urgent needs of commerce and national defense, and for other purposes.

Mr. McNARY. Mr. President, I should like to have the attention of the able Democratic leader, the Senator from Kentucky [Mr. BARKLEY].

The unfinished business is now in the hands of the Senator from North Carolina [Mr. BAILEY], and I think a special order has been made for its consideration. I have no objection, of course, to the bill being considered today and could not, indeed, prevent any consideration, but I should like to have an understanding with the senior Senator from Kentucky that the unfinished business shall not be disposed of today and that the final vote on it and on any amendments that may be offered, if that should be desired, may go over until tomorrow.

Mr. BARKLEY. I will say to the Senator from Oregon that I have conferred with him about this matter, and also with the Senator from North Carolina [Mr. BAILEY], the chairman of the committee in charge of the bill, and the Senator from Georgia [Mr. GEORGE], who is the author of the bill; and because of situations which may involve the absence of a few Senators who might want to vote on it today and who remained here because of the contest, which was concluded yesterday, I am perfectly willing to enter into an agreement that we will not vote finally on the bill until tomorrow. Of course, the trouble about that is always that when Senators know there will not be a vote until the next day they proceed elsewhere and do not listen to the debate.

Mr. McNARY. I have no intention of objecting to the consideration of the bill today, but I think the able Senator from Michigan [Mr. VANDENBERG] has an important amendment to offer. I only want it understood that the final disposition of the bill shall not be had today and that opportunity might be afforded to offer amendments tomorrow.

Marketing

LIBRARY

[PUBLIC LAW 74—77TH CONGRESS]

[CHAPTER 133—1ST SESSION]

[S. J. Res. 60]

JOINT RESOLUTION

Relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of the Agricultural Adjustment Act of 1938, as amended (hereinafter referred to as the Act)—

(1) The farm marketing quota under the Act for any crop of wheat shall be the actual production of the acreage planted to wheat on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to wheat on the farm which is in excess of the farm acreage allotment for wheat. The farm marketing quota under the Act for any crop of corn shall be the actual production of the acreage planted to corn on the farm, less the normal production or the actual production, whichever is the smaller, of that acreage planted to corn on the farm which is in excess of the farm acreage allotment for corn.

The normal production, or the actual production, whichever is the smaller, of such excess acreage is hereinafter called the "farm marketing excess" of corn or wheat, as the case may be. For the purposes of this resolution, "actual production" of any number of acres of corn or wheat on a farm means the actual average yield of corn or wheat, as the case may be, for the farm times such number of acres.

(2) During any marketing year for which quotas are in effect, the producer shall be subject to a penalty on the farm marketing excess of corn and wheat. The rate of the penalty shall be 50 per centum of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the Act and this resolution.

(3) The farm marketing excess for corn and wheat shall be regarded as available for marketing, and the penalty and the storage amount or amounts to be delivered to the Secretary of the commodity shall be computed upon the normal production of the excess acreage. Where, upon the application of the producer for an adjustment of penalty or of storage, it is shown to the satisfaction of the Secretary that the actual production of the excess acreage is less than the normal production thereof, the difference between the amount of the penalty or storage as computed upon the basis of normal production and as computed upon the basis of actual production shall be returned to or allowed the producer. The Secretary shall issue regulations under which the farm marketing excess of the commodity for the farm may be stored or delivered to him. Upon failure to store or deliver to the Secretary the farm marketing excess within such time as may be determined under regulations prescribed by the Secretary, the penalty computed as aforesaid shall

be paid by the producer. Any corn or wheat delivered to the Secretary hereunder shall become the property of the United States and shall be disposed of by the Secretary for relief purposes in the United States or in foreign countries or in such other manner as he shall determine will divert it from the normal channels of trade and commerce.

(4) Until the producers on any farm store, deliver to the Secretary, or pay the penalty on, the farm marketing excess of any crop of corn or wheat, the entire crop of corn or wheat, as the case may be, produced on the farm shall be subject to a lien in favor of the United States for the amount of the penalty.

(5) The penalty upon corn or wheat stored shall be paid by the producer at the time, and to the extent, of any depletion in the amount of the commodity so stored, except depletion resulting from some cause beyond the control of the producer.

(6) Whenever the planted acreage of the then current crop of corn or wheat on any farm is less than the farm acreage allotment for such commodity, the total amount of the commodity from any previous crops required to be stored in order to postpone or avoid payment of penalty shall be reduced by that amount which is equal to the normal production of the number of acres by which the farm acreage allotment exceeds the planted acreage. The provisions of section 326 (b) and (c) of the Act shall be applicable also to wheat.

(7) A farm marketing quota on corn or wheat shall not be applicable to any farm on which the acreage planted to the commodity is not in excess of fifteen acres. The marketing penalty on corn or wheat shall not be applicable to any farm which, under the terms of the then current agricultural conservation program formulated under sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, is classified as a nonallotment farm if the acreage of the commodity harvested on such nonallotment farm is not in excess of fifteen acres or the acreage allotment for the farm, whichever is larger. If the acreage of the commodity harvested on any such nonallotment farm is in excess of fifteen acres and in excess of such acreage allotment, the normal production or the actual production, whichever is the smaller, of the acreage harvested in excess of fifteen acres or such acreage allotment, whichever is larger, shall be taken as the farm marketing excess and shall be subject to penalty: *Provided*, That there shall be no penalty on wheat harvested on any such nonallotment farm from which no wheat is sold if the acreage of wheat harvested on such farm does not exceed such acreage per family living thereon as may be used for home consumption without reducing the payment with respect to the farm under the then current agricultural conservation program: *Provided further*, That for the marketing year beginning in 1941, there shall be no marketing penalty on wheat with respect to any such nonallotment farm if the acreage of wheat harvested on the farm is not in excess of the usual acreage determined for the farm under the 1941 agricultural conservation program and the county committee determines, in accordance with regulations of the Secretary, that there will not be marketed an amount of wheat in excess of the 1941 farm marketing quota.

(8) Until the farm marketing excess of corn or wheat, as the case may be, is stored or delivered to the Secretary or the penalty thereon

is paid, each bushel of the commodity produced on the farm which is sold by the producer to any person within the United States shall be subject to the penalty as specified in paragraph (2) of this resolution. Such penalty shall be paid by the buyer, who may deduct an amount equivalent to the penalty from the price paid to the producer.

(9) The marketing penalty for cotton and rice produced in the calendar year in which any marketing year begins (if beginning with or after the 1941–1942 marketing year) shall be at a rate equal to 50 per centum of the basic rate of the loan for cooperators for such marketing year under section 302 of the Act and this resolution.

(10) The Commodity Credit Corporation is directed to make available upon the 1941 crop of the commodities cotton, corn, wheat, rice, or tobacco, for which producers have not disapproved marketing quotas for the marketing year beginning in 1941, loans as follows:

(a) To cooperators (except cooperators outside the commercial corn-producing area, in the case of corn) at the rate of 85 per centum of the parity price for the commodity as of the beginning of the marketing year;

(b) To cooperators outside the commercial corn-producing area, in the case of corn, at the rate of 75 per centum of the rate specified in (a) above;

(c) To noncooperators (except noncooperators outside the commercial corn-producing area, in the case of corn) at the rate of 60 per centum of the rate specified in (a) above and only on so much of the commodity as would be subject to penalty if marketed.

(11) The provisions of this resolution are amendatory of and supplementary to the Act, and all provisions of law applicable in respect of marketing quotas and loans under such Act as so amended and supplemented shall be applicable, but nothing in this resolution shall be construed to amend or repeal section 301 (b) (6), 323 (b), or 335 (d) of the Act.

Approved, May 26, 1941.